FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,042 Thursday December 13 1979 **20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 60; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Police hold 24 in IRA raids

Police detained 24 people after countrywide swoops which they claimed had halted plans for an IRA bomb campaign in Britain at Christmas.

The operation involved provincial police, Special Branch and Special Patrol Group officers, and was planned for months. It was controlled by Scotland Yard's anti-terrorist chief Commander Peter Duffy, and followed a tip-off from the Royal Ulster Constabulary on suspected terrorists' movements.

All 24 were being held under the Prevention of Terrorism Act, and charges are expected next week.

Iran move

THE U.S. ordered all but 35 of the 218 Iranian diplomats accredited in the U.S. to leave the country within a week.

Quake kills 100

At least 100 people were killed when an earthquake rocked parts of central and south-east Colombia, badly damaging many coastal towns.

Policemen jailed

Three Metropolitan police officers were jailed for a total of six and a half years at the Old Bailey after being found guilty of corruption and blackmail in plotting to obtain £6,000 from Soraya Khashoggi, wife of a multi-millionaire.

Talks on violence

Italian Premier Francesco Cossiga is expected to hold an emergency cabinet meeting tomorrow to review the revival of political violence following an attack at a Turin business school. **Page 2**

Killer hunted

Armed police began a nationwide hunt for the shotgun killer of a girl, 17, in Dunstable, Beds. They said they wanted to question Jonathan Peter May, 20, of Redbourn, Herts.

Hostage freed

Basque guerrillas released prominent Spanish politician Javier Ruperez, who was kidnapped outside his Madrid home on November 11. **Page 2**

Korean arrest

South Korea's martial law chief Chung Seung-Hwa was arrested at his official residence in Seoul. After an outburst of shooting, he was taken to army security command, and no reason was given for his arrest.

Commons offices

A £120m scheme for an office block for MPs to be built alongside Westminster Bridge was unveiled with the backing of an influential all-party Commons committee. **Back page; Picture, Parliament, Page 8**

Bias denied

Civil Service inquiry rejected accusations by a Commons Select Committee that the service was biased in favour of public school and Oxbridge candidates for its administration training schemes. **Page 5**

Price spiral

A saleroom record for a corkscrew was reached at Sotheby's, London, when £1,050 was paid for one made about 1760. **Saleroom, Page 6**

Briefly . . .

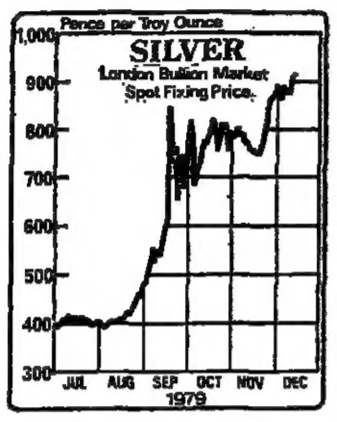
Two men died and two were injured when a light aircraft crashed on take-off at Booker, High Wycombe, Bucks.

Six people were helping police inquiries after a man was stabbed to death at a boxing dinner at London's Royal Garden Hotel.

BUSINESS

Gold and silver records; £ firm

● **GOLD rose above $450 for the first time in London on Middle East uncertainty, but eased later to close $0.50 down on the day at $447. In New York, the Comex December close was $449.80 ($450.50). SILVER also reached record levels with the London spot quotation up 38p at 915p an ounce. Page 31**



● **STERLING was firm, and rose 35 cents to $2.1930. Its trade-weighted index was 69.5 (69.1). DOLLAR fluctuated quite sharply, and its trade-weighted index rose to 85.1 (84.8).**

● **GILTS made fresh progress before easing later, and the Government Securities index rose 0.28 to 64.37.**

● **EQUITIES trading was thin, and the FT 30-share index closed 0.7 higher at [illegible].**

● **WALL STREET closed 1.97 up at 835.67.**

● **TORONTO Composite index rose 32.8 on the Federal Budget to close at 1,755.8.**

● **CHASE MANHATTAN** Bank confirmed it had filed a protective action in the U.S. to restrain Iran's central bank, Bank Markazi, from suing it in courts outside the U.S. **Back Page; French court rejects Iran plea, Page 25**

● **BRITISH STEEL** Corporation plans to halve South Wales steel capacity and switch to cheaper imported coking coal would seriously hit the Welsh coal mining industry, the NCB area director warned. **Back Page; Consett steel closure, Page 5**

● **POST OFFICE'S** two-year worker director experiment will not continue in its present form, the Government said. **Back Page and Parliament, Page 8; Editorial Comment, Page 18**

● **AIRFIX** appeared to have "behaved like a caricature of an 18th century mill-owner" if reports of the Meccano factory closure were correct, Department of Industry under-secretary David Mitchell said. **Back and Page 7**

● **BRITISH** Shipbuilders Board was accused by Shadow Scottish Secretary Bruce Milan of acting like dictators over the sacking of Govan shipyard chief executive Archie Gilchrist. **Page 6**

COMPANIES

● **MARLEY**, the building materials group, raised pre-tax profits for the year to October 31 from £18.62m to a record £22.07m on sales of £292.5m (£250.9m). **Page 20 and Lex, Back Page**

● **DEBENHAMS** decided against selling its Harvey Nicholls department store in spite of two offers of about £25m. **Page 23**

● **NEWS LIMITED** group of Rupert Murdoch is to buy a *further 20 per cent stake* in Ansett Transport Industries of Australia raising its total stake to 47 per cent. Murdoch has taken over as Ansett chief executive. **Page 27**

Soames arrives 'to hold Rhodesia's government in trust'

BY QUENTIN PEEL IN SALISBURY

THE 14-YEAR Rhodesian rebellion formally ended yesterday when Lord Soames, the newly appointed British Governor, arrived to take power. He will oversee free elections and a transition to lawful independence in the colony.

The final demise of the Unilateral Declaration of Independence of 1965 was marked by a minimum of ceremony. Lord Soames was greeted as he stepped from his Royal Air Force VC 10 by Bishop Abel Muzorewa, now the former *Rhodesian Prime Minister*, and a police band playing "God Save the Queen."

His arrival meant the resumption of British rule in what was Southern Rhodesia, and the end of British economic sanctions imposed on the colony in retaliation for UDI.

In a broadcast to the nation on television and radio within hours of his arrival, Lord Soames declared that he had come to launch an irreversible process leading to independence. He had been asked "to hold the government of the country *in trust*" *while the political* leaders took part in an election campaign to determine the government of independence.

Lord Soames confirmed that the British Government had removed sanctions to coincide with his arrival, "and looks to others to do the same." His task was "to enable elections to be held and for your country *to achieve its rightful place in* the international community."

Only a scattering of demonstrators turned out to greet the Governor. Groups supporting Bishop Muzorewa gathered along his road into Salisbury, the Rhodesian capital, displaying posters saying Muzorewa makes Zimbabwe legal."

At the gates of Government *House, where Lord Soames will* make his headquarters, 200 white liberals cheered his arrival. As he drove through the gates, a Union Jack was unfurled to mark his arrival. The demonstrators waved the same flag, hauled down for the last

Continued on Back Page
Rhodesia after sanctions, Page 3
Parliament, Page 8

Lord Soames reviews an honour guard of the British South Africa Police on his arrival in Salisbury.

Ceasefire agreement expected this week

By Bridget Bloom, Africa Correspondent

THE BRITISH Government remains confident that it will agree on the terms of a ceasefire with the Patriotic Front guerrilla alliance by the end of this week, and that an overall Rhodesian settlement agreement will be signed very soon afterwards.

In London last night Sir Ian Gilmour, the Lord Privy Seal and deputy to Lord *Carrington, the Foreign Secretary*, announced that all remaining sanctions against Rhodesia were being lifted. The Queen held a Privy Council yesterday evening to *effect the necessary changes.*

The lifting of sanctions, which coincides with the arrival of Lord Soames, the Governor, in Salisbury, is publicly described by the Government as "part and parcel of an irreversible process" towards Rhodesian independence. Privately, it is also being seen as a move to put pressure on the Patriotic Front rapidly to accept Britain's ceasefire terms.

The guerrilla leaders of the two wings comprising the Patriotic Front spent yesterday *discussing Britain's full* ceasefire plan, which is designed to meet their main objections on the reciprocal disengagement of their own and the Zimbabwe Rhodesian armies during the ceasefire period. The date of a ceasefire has also to be fixed.

The PF's reaction to Britain's decision to send *Lord Soames to Salisbury* and to begin to activate the Rhodesian settlement before it is fully agreed upon has been low key.

It could well register reservations on the ceasefire plan at a plenary session of the Lancaster House talks planned for today.

Barring major problems, *however, Britain plans that all* three delegations to the Lancaster House talks will sign a short document signalling their full agreement on a settlement within the next *few days.*

To this document would be annexed the independence constitution, the arrangements for the transition (already partly in force with Lord Soames' arrival) and the ceasefire.

Meanwhile the sanctions against Rhodesia which were not lifted by Parliament in *November* have now been or are in the process of being lifted. Remaining trade sanctions were lifted with

Continued on Back Page

Carter boost for defence

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER announced last night a substantial five-year increase in defence spending in a major speech which implied a renewed American willingnes for active overseas intervention.

The hard numbers in Mr. Carter's addres to a meeting of business executives in the White House are for a 5 per cent increase in real terms, to $157bn in defence outlays in the next *fiscal year, beginning in October* 1980, and for further increases averaging more than 4½ per cent a year in the next five years.

Full details of where the additional funding will go must await a presentation of the fiscal 1981 Budget in January, though Mr. Harold Brown, the Defence Secretary, may fill in some gaps in congressional testimony *today.*

But the President laid emphasis on the need for U.S. strategic flexibility, including *the ability to deploy forces* rapidly in area over and beyond the NATO boundaries.

Perhaps most significant of all was a passage in his speech which a senior White House aide described as "to some extent marking the end of the Vietnam complex" in U.S. foreign policy.

The President said: "We have learned the mistake of military intervention in the internal affairs of *another* country when our own vital security interests were not directly involved.

"*But* we must understand that not every instance of the firm application of power is a potential Vietnam.

"The consensus for national strength and international involvement, although shaken and *threatened, survived* that divisive and tragic war."

Europe accepts new U.S. missiles

BY REGINALD DALE, EUROPEAN EDITOR, IN BRUSSELS

GOVERNMENTS of the North Atlantic Treaty Organisation last night took ther long-awaited decision to install a new generation of American nuclear missiles in Western Europe, coupled with the offer of wide-ranging new arms control negotiations with the Soviet Union.

But the West was less united than had originally been hoped by the alliance's major powers — the U.S., West Germany, Britain and Italy.

All 14 countries represented at yesterday's joint meeting of allied Foreign and Defence Ministers here agreed that the U.S. should go ahead with the production of the new missiles, which could strike the Soviet Union from bases in Western Europe. The Netherlands, however, said it would not make a *final decision on accepting* the weapons on Dutch soil until the end of 1981.

The Belgian Government a delicate political problem by securing last-minute parliamentary backing for a compromise underlining the country's right to change its mind at six-monthly intervals. The final Belgian and Dutch decisions will be taken in the light of progress made with Moscow in the proposed new round of arms control negotiations.

Both governments have risked falling on the missile issue, while Denmark has similar reservations. However, a Danish request that the decision be postponed for six months found no support from the other countries at the meeting—all the Western allies except France.

The allied Ministers stressed that the decision would not increase Nato's reliance on nuclear weapons. Indeed, a major plank in their arms control proposals was a *unilateral offer to lower* the number of warheads in Western Europe.

Mr. Cyrus Vance, the U.S. Secretary of State, said he hoped preliminary contacts with the Soviet Union could be made within the next month or two.

The outcome was welcomed by Mr. Harold Brown, U.S. Defence Secretary, as a unanimous decision to proceed with the programme, under which 572 new missiles would be stationed in five European countries — the UK, West Germany, Italy, Belgium and Netherlands.

Mr. Francis Pym, British Minister of Defence, said it was a major decision and highly satisfactory.

But Dr. Joseph Luns, the alliance's Dutch secretary-general, did not conceal his disappointment at the reservations recorded by the Netherlands. The missile programme would cost the U.S. at least $5bn (£2.25bn).

£ in New York

—	Dec. 12	Previous
Spot	$2.1935-1950	$2.1955-1955
1 month	0.50-0.45 dis	0.60-0.55 dis
3 months	1.08-1.03 dis	1.24-1.19 dis
12 months	4.20-4.00 dis	4.70-4.60 dis

More concessions urged to save EEC budget

BY ELINOR GOODMAN IN STRASBOURG

THE EUROPEAN Parliament's budget strategists indicated last night that the EEC Council of Ministers would have to make greater concessions to the Parliament or risk seeing the Community's 1980 budget thrown out.

Rejection of the 1980 budget would precipitate a crisis in the Community and might create serious difficulties over meeting next year's bills. It would also demonstrate the *newly elected Parliament's* determination to take on the Council of Ministers and to tackle excessive farm spending.

Last night the Brussels Commission was trying to persuade the two sides to pull back from confrontation.

In long negotiations in Strasbourg, the budget Ministers of the Nine agreed as an opening offer to make a gesture towards acknowledging the Parliament's right to curb agricultural spending. They might also be prepared to increase the amount by which non-farm spending may be increased.

Mr. Nigel Lawson, the British representative on the Council, seemed reasonably optimistic that the two sides would eventually agree on a joint declaration of intention, if not on the precise details of the package.

The initial reaction of the Parilament's leaders was that the first compromise offered was inadequate.

Earlier at the first meeting of the two sides, Ministers tried to persuade representatives of the Parliament to accept a *statement of intent on agricultural* spending. That has been the Parliament's main political objective in its attempt to amend the budget, since the Council refused to accept the *Parliament's* proposed changes last month.

If the two sides cannot compromise, and the Parliament rejects the Budget today, the Commission will be sent back to the drawing-board. Spending next year would be limited each month to a twelfth of the 1979 level until a new Budget was agreed.

That would lead to cuts, although probably on non-agricultural projects rather than on agriculture as the *Parliament* wants.

The French government last night approved the agreement reached in Brussels by the EEC Agriculture Ministers on a 5 per cent devaluation of the "green" pound and lira, which had been referred *back to Paris.*

It is estimated that the devaluation of the "green" pound will benefit British farmers by about £150m annually and increase the UK retail price index by about 0.25 per cent. Page 2

Parliament, Page 8
French farming, Page 31

Order to scrap fibre cartel

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN COMMISSION is insisting on the immediate scrapping of the "crisis cartel" operated by the EEC's 11 leading man-made fibre producers.

Although the market sharing agreement was inspired by the Commission in mid-1978 to head-off a damaging prices war between the synthetic fibres giants, the three-year cartel is now due to be ended midway through its term.

M. Raymond Vouel, the EEC competition commissioner, has long complained that the crisis *cartel is a flagrant breach of* Article 85 of the Rome Treaty. Last week he prompted the 13-man Brussels Commission to open confidential negotiations *with the fibre producers on the* abandonment of their pact by the New Year.

The cartel was designed to bring about a reduction in over-capacity in Europe, estimated at the time of the agreement between the producers in 1977 at around 25 per cent.

The main elements were a programme of individual company plant closures and a market-sharing agreement to ensure that the major producers maintained their relative positions.

The Italians—because of their position as net importers of fibres—were given special dispensation to continue with *plans to expand their fibre* industry.

The deal was not openly implemented, because of strong opposition from the EEC Competitions Directorate. However, major producers in Britain, West Germany, France and the Netherlands have continued with their own plant closure programme. In the UK, ICI and Courtaulds recently announced major cuts in employment and closure of *some production facilities.*

The Brussels Competition authorities feel this year's 20-25 per cent average rise in fibre prices now makes the market sharing deal untenable.

The Commission is now scheduled to consider proposals for an alternative scheme that would not infringe the Rome Treaty when it meets on *December 19.*

Last week the Commission instructed the directors-general of the Competition, Industry and Judicial Services Departments to report within a fortnight on a solution that would be politically acceptable to the member states most concerned.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treasury 12% '84	£88 11/16	+ 7/16	Mallinson-Denny	47	+ 4½
Trea. 13¼% 2000-03	£97½	+ ½	Peachey Property	114	+ 5
Allied Colloids	134	+ 4	Plysu	105	+ 9
Arrow Chemicals	80	+ 7	Queens Moat Houses	33	+ 2½
Bambers Stores	78	+ 5	Redfearn Nat. Glass	225	+ 13
Barclays Bank	416	+ 6	Stand. Chart. Bank	468	+ 15
Berisford (S. & W.)	163	+ 10	United Gas Inds.	76	+ 5
Bowater	155	+ 5	Wood (S. W.)	45	+ 5
Cableform	93	+ 5	Blyvoor	532	+ 23
Carless Capel	70	+ 6	Cent. Pacific Mins.	£16½	+ 1¼
Davenports Brewery	140	+ 7	Cons. Gold Fields	368	+ 16
Dowty	153	+ 9	Falcon Mines	425	+ 15
Electrocomponents	435	+ 12	Poseidon	101	+ 10
Elliott (B.)	210	+ 7	South. Pacific Pets.	700	+ 130
Farnell Electronics	236	+ 14	Vaal Reefs	£25	+ 1⅛
Fodens	42	+ 3	West Driefontein	£32	+ 1¼
Highland Distilleries	156	+ 8	FALLS		
Hoover A	127	+ 7	Butterfield-Harvey	43	− 5½
Invergordon	217	+ 7	Elson and Robbins	107	− 6
Jardine Matheson	154	+ 7	Trafford Carpets	22	− 4
			Lihanon	785	− 22

CONTENTS

For latest Share Index phone 01-246 8026

EEC farm deal—higher prices and bigger surpluses

BY MARGARET VAN HATTEM AND CHRISTOPHER PARKES

BRITAIN'S FOOD bill will start to rise from next week following the French Government's decision to give the go-ahead to the package of farm measures agreed by the EEC Farm Council in Brussels early yesterday.

Net impact of the change on consumers, according to Mr. Peter Walker, Britain's Minister of Agriculture, would be a 0.25 per cent rise in the retail price index. "But it will be many months before the full effect reaches the shops," he told the House of Commons yesterday.

Butter will go up 3½p a pound, bacon 2p, beef 4p and a kilo bag of sugar will be 1½p dearer. A large loaf will cost 0.33p more.

Cumulative effect of the year's devaluations is an extra 1 point on the British prices index, and 4 points on the food price index.

The agreement covers the following points:

● A 5 per cent devaluation of the "green" pound and lira, which will give British and Italian farmers a corresponding price rise.

● France and Italy will receive about £200m from the Community in the years 1980-86 to help finance a £540m programme to improve the quality of their wines and cut back surplus production.

● France will be permitted to introduce temporary measures to help its sheep farmers, possibly with some financial help from the Community.

For Britain, the most significant part of the package is the devaluation of the "green" pound, the artificial exchange rate used to convert EEC common farm prices from European currency units into sterling.

This is Briain's third 5 per cent "green" devaluation this year and, together with a 1.5 per cent average price rise agreed last June, gives UK farmers a cumulative price rise this year of nearly 18 per cent.

According to British Government calculations, the latest devaluation will, over the next year, raise farm incomes by £150m. At the same time, it will boost the national food bill by an estimated £255m. However, these figures are contested in Brussels: EEC officials say they are likely to be significantly exceeded.

Viewed in isolation, the 5 per cent devaluation of the "green" pound seems woefully inadequate to match the demands of British farmers. The National Farmers' Union, which claims that real incomes this year will fall by 15-20 per cent, pointed out yesterday that the devaluation does not cover even half the £250m annual cost of the new farm workers' wages agreement ratified earlier this week.

"The union is encouraged that the Government has recognised the current problems facing producers. But further measures are required to restore confidence in the industry in order to offset the alarming and ever-increasing costs of production," said Mr. Richard Butler, NFU president, in what has now become a routine response to devaluations.

Similar qualified approval greeted the two devaluations approved by the Council of Ministers earlier this year. However, this year's three monetary adjustments taken together, plus a further minor change, will increase net farm incomes in a full year by around £560m—an average of £2,500 for every farmer in the country.

Since the turn of the year, the prices of the main products of British farming have increased by almost 20 per cent. The intervention price for butter, £1,494.95 a tonne in January, now goes up to £1,762.98. Sugar has risen from £218.74 to £261.69 a tonne, and the support buying price for beef has jumped from £719 to £860.67 a tonne.

The latest devaluation will not be applied to grain prices until next August, the start of the new marketing year.

The prices listed are those of last resort—the rates producers can get from the Common Market's food stockpile managers if the free market is depressed.

The move is expected to lead to bigger food mountains in the EEC. Price rises in Britain and Italy will encourage production while discouraging consumption in those countries. Both are major importers from the rest of the EEC. But, as the devaluations begin to take effect, their imports will drop, leaving the other countries with bigger surpluses to dispose of at the Community's expense.

This trend is likely to be aggravated by the decision to raise prices for milk and beef immediately while delaying the rise on cereals, so that animal feeds will become relatively cheaper in the interim, boosting profitability for livestock producers.

The "green" devaluation will initially cut the cost of the common agricultural policy (and consequently, Britain's contribution to the EEC budget). By raising prices it reduces the Community subsidies needed to offset the difference between high Continental and lower British prices.

However this budgetary gain is actually a loss to Britain because, in effect, British consumers will take over from the Community part of the cost of supporting high Continental prices.

In order to get France to agree to the devaluation, Mr. Walker had to accommodate French demands on lamb and wine.

For lamb, currently the subject of a bitter dispute between France and the UK, he and other Ministers agreed that France and the Commission should introduce temporary help for French sheep farmers until the current negotiations to include lamb in the CAP are concluded.

These measures would not need approval from the Council of Ministers, and although Mr. Walker claimed on Tuesday night that the measures would have to be wholly financed by France and not partly by the Community, the Commission does not rule out the possibility of EEC help.

For wine, Mr. Walker relaxed his opposition to the high level of EEC aid to French and Italian wine-growers proposed by the Commission. He eventually compromised on a figure half way between the Commission proposal and the level he had sought. However, Britain's total contribution to the scheme will be only £40m over seven years, just over half the cost of the original proposals.

France more hopeful of settling UK issues

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government last night gave its stamp of approval to the 5 per cent devaluation of the "green" pound and lira. The Brussels decision had been referred back to Paris.

Commenting on the agreements reached in Brussels, which include a reform of the wine market considered to be of particular importance by France, French officials denied that disagreements between Britain and France had reached a crisis. They stressed that the compromises reached were evidence of a much better atmosphere, which should also make it easier to settle the problem of Britain's contribution to the Community budget.

As far as the French are concerned, the prospects for solving the bitter dispute with the UK over imports of British lamb into France, have also improved. Though the proposals for an EEC sheep meat regulation made by the Brussels Commission falls short of French demands, the French Government is at least satisfied that discussions on this problem are under way.

France clearly hopes to obtain some guarantees covering the transition period, during which the French market would be re-opened to lamb and mutton imports from the UK, but would not yet be protected by Community regulations.

The kind of solution the French Government has in mind is that, for a limited period of several months, an equalisation tax of 20 per cent would be levied on British lamb imported into France. This would bridge the gap between domestic lamb prices in the UK and the much higher prices on the French market.

At the same time, the Commission would negotiate voluntary export restraint agreements with the main non-Community lamb and mutton exporting countries, such as New Zealand, Australia, Argentina, Uruguay.

However, in the meantime, the French are still in a precarious legal position regarding their ban of British lamb imports. France had hoped that, pending the adoption of EEC lamb and mutton regulations, the Commission would extend its deadline, by which France was required to respect a European Court of Justice ruling that it should re-open its frontiers to British lamb.

Reuters to merge services

By Our Foreign Staff

REUTERS news agency, London, announced yesterday that it would merge its economic and general news services from January 1.

The action ends the separate, loss-making service of news to newspapers, radio and television and integrates it with the highly profitable service to business and finance houses.

The move endorses a gradual change of emphasis at Reuters which has taken place over the past five years. The agency has seen a phenomenal growth in the use of its communications system through computerised information retrieval services which now account for the bulk of the £70m turnover.

A Reuters announcement said that Mr. Manfred Pagel had been appointed editor of the merged Reuters World Service responsible to Mr. Michael Reupke, the editor in chief.

Mr. Jack Henry, present editor of Reuters World Service is to retire after 33 years of service.

Mr. Gerald Long, Reuters' managing director said that the merging of the editorial operations was designed to make most efficient use of Reuters' journalistic resources to produce services of excellence for alll Reuter subscribers

Senior Reuters executives were quick to deny that the move meant the end of or a deterioration in the general news operations. But among senior agency journalists there was a feeling of resignation that the integration had to come

The employees of Reuters North America, meanwhile, are to vote next week whether or not to become members of the powerful Teamsters Union. Reuters staff currently belong to the American Newspaper Guild, the traditional journalists union, which has been severely weakened in recent years.

The Guild has been in preliminary negotiations with Reuters management over a three-year contract due to take effect at the start of next year. But doubt has emerged among the Reuters staff about the Guild's ability to finance a strike if a settlement is not concluded.

Barre uses threat of early poll to make Gaullists toe the line

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, France's Prime Minister, issued a clear warning yesterday that an early general election would be held if Gaullist opposition to the Government continued to place it in a minority in Parliament The present Assembly has more than three years of its term to run.

In an unusually belligerent interview with a French provincial newspaper, M. Barre said that if the Government failed to win the backing of the coalition parties because they were opposed to its policies, "the people will decide."

The Prime Minister's statement was an obvious reference to the obstructive tactics employed in the National Assembly by the Gaullist RPR party, which refused recently to support the Government's 1980 budget and legislation for financing the social security system's deficit. As a result of Gaullist opposition, M. Barre was obliged to use a "last resort" constitutional device twice in two weeks to push legislation through Parliament.

M. Barre said he was convinced that, if the Government went to the country, the French people would severely condemn any political party which, in the present difficult situation for the world and France, questioned the choice made by the electorate in the 1978 general election.

The Prime Minister claimed that he had always been prepared to hold regular and close consultations with the parties making up the Government majority. But he was not disposed to knuckle under to any party, even if it was the single most important group in the National Assembly, as is the RPR.

Taking a Gaullist line, M. Barre said that France was in danger of reverting to the "party regimes" of previous republics. It was not the job of a party to govern, but that of the Government. While he respected the prerogatives of Parliament, he also respected the French constitution and would not hesitate to use it to enable the Government to carry out its policies.

Under Article 49 of the Constitution, the Government can make any legislation a question of confidence. The Bill in question is then automatically adopted unless a censure motion tabled in the National Assembly obtains an absolute majority. This was the procedure adopted by M. Barre for the budget and social security legislation, but it is clear that it was intended by the drafters of the constitution as an exceptional device, which should be used sparingly.

Given the deterioration in relations between the Gaullists and the Government, it now looks as if the Government will be forced to employ this procedure regularly if it wants its legislation to pass. The spectacle of a Government ruling virtually by decree would undermine its authority in the long run.

The warning that Parliament might be dissolved before the legal end of its life is clearly a last attempt by M. Barre to bring the recalcitrant Gaullists to heel. The Prime Minister knows that the Gaullists, whose popularity rating is not very high at the moment, are not anxious to have an early general election.

New Soviet fighter under test

By Michael Donne

THE SOVIET UNION is developing an advanced fighter aircraft that would be competitive with the latest U.S. combat aircraft designs, according to the latest edition of Jane's All The World's Aircraft.

U.S. reconnaissance satellites are reported to have photographed the aircraft at the Ramenskoye flight test centre in the USSR.

The aircraft is believed to emanate from the Mikoyan design bureau which was responsible for the Mig 25 Foxbat, hitherto the most advanced Soviet fighter.

Mr. John Taylor, editor of Jane's, says that the advances made in recent years by the various Soviet aeronautical design bureaux have been impressive, particularly in the field of heavy-lift and assault helicopters.

"However, the U.S. Department of Defence believes that America is still ahead in avionics (airborne electronics), munitions and standards of pilot training."

Mikoyan has been for many years the major Soviet fighter design bureau, responsible for a long line of combat aircraft, culminating in the MiG-25 Foxbat, which first emerged in the mid-1960s and which has subsequently evolved into several versions.

The new Soviet combat aircraft design is said by Jane's to be of the same class as the U.S. Northrop F-18,a multi-role light-weight supersonic fighter now under development for the U.S. Air Force and Navy.

It is known in the U.S. Defence Department as "Ram-L," but virtually nothing else is known of it at this stage. A "highly provisional" three-view drawing, published in Jane's, shows it as a single-seat swept-delta winged aircraft, with twin engine intakes and twin tail fins.

The Jane's report is not likely to come as a surprise to Western intelligence services. The time lag since the emergence of the MiG-25 Foxbat and the other most recent Soviet fighter, the Sukhoi Su-19 Fencer, is such that an advanced combat aircraft was inevitable around this time. The only question was precisely when it would emerge.

Jane's All The World's Aircraft, 1979-80: Jane's Publishing Company; £35.

Emergency meeting on Italian violence

BY PAUL BETTS IN ROME

THE ITALIAN Prime Minister, Sig. Francesco Cossiga, is expected to hold an emergency Cabinet meeting tomorrow to review the alarming revival of political violence, coinciding with a period of growing political and economic uncertainty.

This follows the unprecedented raid by left-wing extremists in a post-graduate industrial management school in Turin on Tuesday evening.

Some 12 gunmen, claiming to belong to the "Front Line", terrorist group, which has links with the Red Brigades, shot in the legs five students and five lecturers. Four of the latter are employed by the Fiat car group and the other by Olivetti.

In the aftermath of the raid, Italy's main union confederations held a token one-hour national strike yesterday in protest.

The latest revival of political violence is seen as a new attempt to destabilise the country at a time of growing internal political, social and economic tensions. In recent months, extreme Left-wing terrorists have mounted a series of attacks against the police forces and the establishment in general in what appears to be an attempt to create a climate of fear and intimidation in the main industrial cities.

The repeated attacks and killings of police officers have increasingly exasperated public opinion and demoralised the police forces. General Corsini, head of the Italian police, recently called for greater powers and resources for his forces.

● The Italian Communist Party yesterday tabled a motion in Parliament formally condemning the Government's handling of the dispute which has resulted in the suspension of oil deliveries by Saudi Arabia to ENI, the State hydrocarbons agency. This move reflects a marked hardening of the Communist position against Sig. Cossiga's administration.

AP-DJ adds: Venezuela will supply Italy with 5m tons of crude oil in 1980, or double its shipments this year of both crude and refined oil products, the Budget Ministry announced.

Warning on risk to DM stability

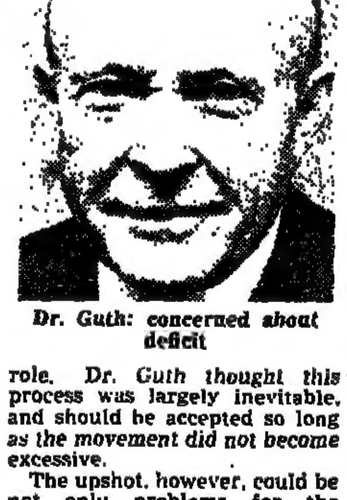
BY JONATHAN CARR IN DUESSELDORF

SERIOUS PROBLEMS would face West Germany if it became a country with a persistent current account deficit while its currency simultaneously gained a growing reserve role, Dr. Wilfried Guth, board spokesman (in effect, executive chairman) of the Deutsche Bank has warned.

He told a news conference here that unless West Germany was careful—and in particular looked to measures to keep its export growth strong—it could find itself with similar difficulties to those faced by the U.S.

Dr. Guth noted that the present current account deficit was not a cause for concern. Indeed, West Germans should be glad that they were thus contributing to a better balance of international trade and payments.

However, it was clear that the fact of this deficit was not dissuading many holders of other currencies from moving into the Deutsche Mark, which was gaining a bigger world reserve role. Dr. Guth thought this process was largely inevitable, and should be accepted so long as the movement did not become excessive.



Dr. Guth: concerned about deficit

The upshot, however, could be not only problems for the country's money supply and anti-inflation policy because of the inflows. The resulting upward pressure on the Deutsche Mark could make it still harder for West German exporters to stay price competitive abroad— thus contributing to a continuation of the country's deficit.

With his comments, Dr. Guth has underlined the rise of a problem for West Germany which has received little general comment so far.

On the one hand the country this year faces its first current account deficit for 14 years, thanks in particular to a strong surge in imports and to a bigger deficit on services. On the other, the Deutschemark now accounts for roughly 11 per cent of the reserves of non-German monetary authorities, and the trend is towards a further increase.

These two points together imply a potential challenge to currency stability such as the country has so far not had to face.

Basque guerrillas release kidnapped Spanish MP

BY ROBERT GRAHAM IN MADRID

BASQUE GUERRILLAS early yesterday released Sr. Javier Ruperez, the prominent Spanish MP, after a month-long kidnap. He was freed without any public concessions by the Government, though at the outset the kidnappers made substantial demands.

Sr. Ruperez, who is the foreign affairs spokesman for the ruling Union de Centro Democratico (UCD), was dropped on the road near the northern town of Burgos, close to the Basque country. He walked to a petrol station and then contacted police. He was subsequently driven to the Prime Minister's office in Madrid, still wearing an anorak and a pair of jeans.

His safe release without apparent concessions is an important psychological victory in the Government's bid to isolate the militant Basque separatist organisation ETA in the wake of the endorsement of the Basque autonomy statute.

The fact that Parliament yesterday, coincidentally agreed without a vote to set up a commission to investigate allegations of police torture of Basque detainees, does not substantially diminish this.

The kidnapping was claimed by the political-military wing of ETA, a faction that had supported the autonomy statute initially. They demanded sweeping concessions including the withdrawal of the paramilitary security forces from the Basque country, the release of all political prisoners, and the integration of Navarre province, at present a separate entity, into the new Basque autonomous region.

However, the kidnap triggered a national outcry. Sr. Ruperez is a popular figure who had shown sympathy for the Basque cause and had a reputation as a liberal. The left-wing Basque party Euzkadiko Ezkerra, which acts as the political front for the political-military wing of ETA, was badly embarrassed by the action.

Norway's TUC claims $100,000 from Mobil

By Fay Gjester in Oslo

NORWAY'S TUC is seeking $100,000 (£45,660) compensation from Mobil for the dependents of three trade union members who died in a fire on a North Sea oil platform nearly two years ago.

The claim has been prepared by the TUC's legal office, which describes it as "a minimum demand." If Mobil refuses to settle, it will be sued for "a much larger amount," according to Mr. Karl Nandrup Dahl, a TUC lawyer.

Worker discontent an abiding problem for Gierek

BY CHRISTOPHER BOBINSKI IN WARSAW

NINE YEARS ago, on December 12, 1970, demonstrations and fighting broke out in Poland's Baltic ports against food price rises. The week of disturbances ended with the replacement of Mr. Gomulka as head of the Polish Communist Party with the present leader Mr. Edward Gierek.

Next Tuesday, December 18, a group of students and workers will lay wreaths and flowers at the Number Two gate of the Gdansk shipyard, as they have done for the past two years, to commemorate those who died in the fighting.

On past form, the ceremony will be preceded by searches at the homes of dissenting intellectuals and members of the small free trade union in Gdansk. Some will be detained and, on the day, the authorities will quietly do their best to obstruct the demonstrators.

Yet some few thousand people, many of them from the shipyard itself, will come to pay homage and listen to those speakers who manage to evade the police net. They will probably be filmed for the official record, and will then disperse peacefully to their homes.

The day will thus serve as a reminder that working-class discontent helped to topple two administrations in Poland, in 1956 and 1970, and that similar consequences were avoided three years ago because food price rises were withdrawn at the first sign of trouble.

This year the authorities have revealed that they intend to continue their low wage-increase policy well into the next decade. There are also indications that workers' participation in management decisions may soon become an issue for Polish industry.

Surveys carried out among the country's 300,000 or so mine workers show that a large percentage think relations with management and administrative staff are not all they should be.

Coal miners are among the best-paid workers in Poland, and an experienced face-worker can earn three times the national wage. The survey shows that 79 per cent think that, on the whole, they are well treated by management.

But the survey, some of which is published in the weekly Kultura, also shows that only 36 per cent of the miners are happy about their relations with management. "This shows that the miners are not content with paternalism. What is needed is partnership," the weekly comments.

Other labour problems show up in figures given by a Government deputy premier, Mr. Kazimierz Secomskito, at a recent meeting of economists in Warsaw. He said that on average 30 per cent of the workforce change jobs every year, while in some industries the figure tops 50 per cent. Absenteeism is also a headache.

This labour shortage makes it difficult to hold back wages growth, as factory managers tend to avoid centrally-imposed limits and raise pay just to fill vacancies. Occasionally the central authorities decide to recognise the problem and approve increases, as they did last summer and autumn with certain key groups of workers. But a 10 per cent increase for copper ore miners and a 12 per cent rise for coal miners was never publicly announced.

Whenever there is trouble over working conditions, new work norms or payment of bonuses, management and the party authorities act swiftly to placate the workers and prevent strikes. It is common for shop-floor demands to be met at the first hint of any stoppage.

Now the authorities are proposing to continue to try and hold back wage growth to an annual 2 to 3 per cent. But there is little sign that they have any idea how to stem the pressure on wages, which, taken with low productivity, contributes to shortages in the shops and rising prices and adds to the discontent.

Such a low rate of increase will mean, according to some economists, that from 20 to 30 per cent of the workforce will suffer a fall in real wages in the coming years. From 1971 to 1975 real wages rose by 42 per cent but the second half of the 1970s saw a slowdown to this year's under 1 per cent rise. Increases over 1981-85 are planned at 9 to 11 per cent.

One danger is that aspirations roused in the early 1970s are still a potent force. As people are asked to tighten their belts well into the 1980s. Against this background some party members see the advantages of participation.

Writing in the latest issue of the major party theoretical journal, Nowe Drogi, Professor Leszek Gilejko, a sociologist, says: "Real participation by the workforce in management decisions brings measurable economic effects." He adds that the need to take part in management, "is being felt more and more strongly by the working class."

Professor Gilejko conducted a survey into working-class attitudes in the early 1970s when Poland's investment boom was under way and wages were rising fast. This revealed that 56.8 per cent of those questioned felt that one of the features of a good social system was, "that people should take decisions in common," while only 20 per cent rated "obedience towards authority" highly.

An overwhelming majority thought that the three institutions workers come across in the factory—the party organisation, the trade union and the works council—ought to represent their interests. But less than 50 per cent were of the opinion that these institutions actually manage to do just that.

Bad attack of cold feet in Strasbourg

By John Wyles in Strasbourg

EUROPEAN MPs yesterd resembled a group of work preparing to go on strike f the first time in their lives. Their apparently militant com mitment to throw out the 19 EEC budget adopted by t nine governments was some cases a great deal mo superficial and fragile than seemed.

As the day wore on, the ho among many MPs that t Budget Ministers meeti here would offer a comp mise turned into such ferve desire that Parliamen ability to muster the nec sary majority to reject t budget was being serious questioned.

A two-thirds majority of t 410 European MPs, wo more than half voting, w be needed today to carry t directly elected Parliame into its first serious confl with member governments.

Effective role

At this stage, the implicatio of the move are primari political, reflecting Parli ment's desire to be assur an effective role in the Co munity's budget-making. particular, Parliament wan acknowledgement of its ins tence that 1980 should be th year in which the Nine sta to rein in agricultural spen ing.

However, MPs have been urg by Mr. Christopher Tugen hat, the Budget Comm sioner, not to ignore the fa that climbing on to budgetary limb could hav unpleasant practical cons quences for the running the Community.

Some MPs, though, draw com fort from the fact that it without a budget would n be a new experience for t Commission. It operated wi just such a handicap durin the first few weeks of th year, before there was form agreement between the Parliament and the Budg Council on the size and shap of the 1979 budget.

If Parliament rejects the 19 budget today, the Commission will be forced, as it wa earlier this year, to opera according to Article 204 the Treaty of Rome.

This means that it must lim its monthly spending to n more than one-twelfth of th total 1979 budget.

This is not a straitjacket whic the Commission would choo to wear but it is one wi which the Community coul live for a short time witho excessive discomfort. Aft some months, difficulti would undoubtedly multip particularly, it is thought, Parliament and the Counc do not settle their differenc by the middle of next year.

After that, there could be re problems in maintainin spending on regional an social policies, which mo European MPs would like see feature much larger i the budget. This is becau about 80 per cent of Com mission spending is oblig tory: that is, payments whic it is legally bound to mak most to farm producers.

Redundant workers

Agricultural spending bulges i the second half of the yea and if the EEC was still livin under the twelfth regim then money earmarked, say for retraining redundan workers could be choked off If there was no agreement by the fourth quarter of the yea then some agricultural spend ing itself might be threatened.

No one can predict accurately when Community spending polices would come under pressure, but some wavering MPs may be brought back from the brink of rejecting the 1980 budget by the fear that regional and social spending could be hit sooner rather than later.

Mr. Pieter Dankert, the Dutch rapporteur of the budget committee, who is the first "personality" to be established by this Parliament through his leadership of the rejectionists, claims that after a "No" vote the Commission would have to draw up another preliminary budget. This could take several weeks and EEC Commissioners decided on Tuesday that it would be a pointless exercise unless the Council and Parliament first offered mutually agreed guidelines.

● Mr. Roy Jenkins, president said yesterday that the next of the European Commission meeting of the Community's Heads of Government would not be brought forward from March next year unless there was a reasonable chance of settling the row over Britain's budget contributions.

Reporting to the Parliament on the summit in Dublin last month, at which it was conditionally agreed to bring forward the next summit, Mr. Jenkins said that if there was to be an early meeting, "we must in the meantime have made sufficient progress to justify expectations of a solution in an atmosphere of calm, moderation and compromise."

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York N.Y. and at additional mailing centres.

OVERSEAS NEWS

Iran aims at cutback in world oil production

BY ANDREW WHITLEY

IRAN IS to make a worldwide cut in oil production its top priority at next week's ministerial meeting of the Organisation of Petroleum Exporting Countries in Caracas. Mr. Ali Akbar Moinfar, the Oil Minister, said yesterday that Iran intended to cut its production below its present level of 3.5m barrels a day and felt the majority of OPEC's members would do likewise.

In the second prong of an international diplomatic offensive, Mr. Ali Reza Nowbari, governor of the Iranian central bank, was due to leave Tehran yesterday on a tour of North Africa and Europe to lay the ground for legal action to recover the Shah's fortune abroad.

Mr. Nowbari told a Press conference on Tuesday that court proceedings would aim to prove that the Shah and members of his family embezzled $10bn of the country's money. In a test case, a petition to freeze an initial $600m is to be filed with European and U.S. courts within the next few days.

In developments over the continuing crisis in the Azerbaijan region, Ayatollah Khomeini yesterday reaffirmed his hard-line stance towards his religious and political rival, Ayatollah Shariat-Madari, who leads the Azerbaijan community and the middle-class opposition to Khomeini.

Addressing a crowd in Qom, the revolutionary leader said "opponents of the constitution," which Shariat-Madari has openly criticised, were "opponents of the nation." However, as in the past, a softer line has emerged from Khomeini's associates concerned with the actual implementation of policies.

Dr. Mohammad Beheshti, head of the ruling Revolutionary Council, told reporters that the executive was considering allowing the establishment of a federal system which would satisfy the demands of the ethnic minorities. Up to now Iran's central authorities have refused to consider such a scheme.

Two more senior clergymen loyal to Khomeini yesterday joined in the pressures on Shariat-Madari to disavow his party, the Moslem People's Republican Party, and "to bring shame on the plotters" in Azerbaijan.

China nuclear power boost urged

CHINA SHOULD begin immediately to develop nuclear energy as a power source, using foreign assistance where necessary, according to Zuo Hu, a Chinese Government scientist.

In an article in the Guangming daily newspaper, Mr. Zuo, deputy chief engineer of the Second Ministry of Machine Building's nuclear power bureau said China was already qualified to develop nuclear power. But to bridge the gap with advanced countries, it should study the question of importing technology, equipment and materials as needed.

The fundamental problem facing nuclear energy development in China was that the country did not have a clear policy or long-term programme for utilising energy resources, Mr. Zuo added.

Ten to 15 years' preparation was needed to develop nuclear power, the article added "Things will be postponed to the next century if we do not start the work now."

The best way to avoid transporting coal from the north of China to the south, was to build nuclear power stations in the south, where energy sources were lacking, Mr. Zuo suggested.

Referring to the Three Mile Island mishap, Mr. Zuo said it had not produced a real health problem. "It produced a psychological influence, because of the propaganda of anti-nuclear organisations and exaggerated reports in the Press.

"According to a public opinion poll made in some areas of the U.S. in April, the majority of people still favoured the development of nuclear power.

"The necessity for developing nuclear power should be affirmed in China."

Earlier this year, China suspended negotiations to buy two reactors from France.

Reuter

Formula agreed for Zaire debts

BY TERRY DODSWORTH IN PARIS

ZAIRE'S principal western Government creditors have reached agreement on rescheduling a large part of the country's outstanding debt.

The formula for the Government debt, which amounts to an estimated $4bn, will now be put to individual creditor countries for bilateral agreement.

The rescheduling is a significant step in the programme for repairing the strategically important central African country's shattered economy.

Of the $4bn about half is nearly due for repayment. Under the formula worked out in Paris, the repayable element is being rescheduled over the next three years.

The rescheduling will depend on how closely Zaire keeps to the terms of an agreement on economic management signed with the International Monetary Fund in July.

President Mobutu has been given strict guidelines on his country's balance of payments and budgetary deficits and is expected to rein in sharply the growth of credit and money supply.

The rescheduling follows a recent accord in Brussels between Governments sympathetic to the pro-Western stance of Zaire's President. It was agreed to give Zaire $206m in emergency aid for 1980.

But Zaire continues to face serious economic worries with a balance of payments deficit for 1980 estimated at $422m. There are also problems with the deterioration of the transport system and the high level of corruption.

Saudi, U.S. and IMF payments aid for Zia

By David Housego, recently in Pakistan

PAKISTAN, which had virtually exhausted its foreign exchange reserves three months ago, has now arranged sufficient overseas financing to cover its expected balance of payments deficit in fiscal 1979-80.

Relief has come from a $140m drawing from the International Monetary Fund's trust fund, a $200m grant from Saudi Arabia and about $150m of short-term loans arranged through Bank of Credit and Commerce International and Citibank.

The Government does not expect to have to deplete the reserves beyond the already dangerous level of $150m— the equivalent to about two months' imports— to finance its current account deficit or to meet debt repayments. The reserves stood at $386m at the end of the Pakistani financial year in June which was virtually half the level at the end of 1977-78.

Negotiations with the Western consortium of donor nations over debt relief or with the IMF for further support are said to be making little progress. A borrowing from the IMF trust fund, such as that which recently Pakistan made, does not impost the tight conditions associated with most IMF loans.

Donor nations and the IMF are pressing Pakistan to carry through a stabilisation programme that would include a sharp cutback in the budget deficit through phasing out subsidies, reducing development expenditure and increasing taxes. The budget deficit is now expected to be nearly 66bn rupees ($6.7bn), almost double what had been anticipated, because of higher outlays on supporting refugees from Afghanistan and increased petroleum subsidies.

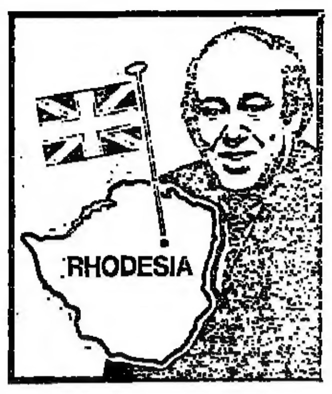
President Zia-ul Haq is resisting the IMF's deflationary package because of the political cost of higher unemployment and of further increases in the cost of living that a reductilon in subsidies would imply.

Without major debt-rescheduling or further assistance from the IMF, Pakistan is expected to run into a further balance of payments crisis next autumn.

RHODESIA AFTER SANCTIONS

The 'carpetbaggers' pour in

BY QUENTIN PEEL IN SALISBURY



THE ARRIVAL of Lord Soames as British Governor in Rhodesia yesterday marked the end of 14 years of British trade sanctions on the rebellious colony. It is a moment long awaited by Rhodesians, starved of consumer goods, and industrialists, desperate for spare parts and new capital goods. Yet in the event, it is likely to prove something of an anti-climax.

The prospect of sanctions being lifted is one which has brought a notable influx of cosmopolitan businessmen to Salisbury in recent weeks — South Africans, British, Japanese, American, German, French and Swiss. There have been bankers, taking a look at the prospects of a potential new borrower. The mining houses have been renewing dormant contracts. Traders, in anything from children's toys to aircraft, have been looking for potential deals. But the local business community is treating the whole exercise with scepticism.

"We have had the carpetbaggers here in a big way," Mr. Brian Stringer, Chairman of Air Zimbabwe Rhodesia, the national airline, said. "All the rats and mice will be running around trying to pick up business. They will get short shrift from Rhodesian businessmen, who are pretty hard-headed."

Part of the reason for the scepticism is that sanctions, although irritating, have never proved really debilitating. They have been circumvented both by local production of spare parts and by ineffective international policing of the system.

But at the same time there is a recognition that now it is Rhodesia itself which cannot afford to open its economy to allcomers, because of the fragile and highly protected industries which have been built up within the country. Finally, and most important, the lifting of sanctions, and the arrival of a British governor is seen as no guarantee of the stable political solution required for a real economic revival.

Nevertheless, the lifting of sanctions will have some rapid effects, and some have been seen already. In the first place, Rhodesian exports, such as copper, chrome, nickel, asbestoc, tobacco, beef, sugar and citrus fruit, will benefit from an immediate improvement in the price they can command on international markets. Rhodesian officials put the improvement from being able to sell direct, rather than through subterfuge or middlemen, at between 15 and 20 per cent in foreign exchange earnings, or about £100m a year. At the same time, imports are likely to prove cheaper again because of direct trading by some 5 per cent.

The prospect of an early improvement in foreign exchange earnings has already been acted on by the Rhodesian government, in granting an extra R$10m in import permits last month. Some R$3.6m went to retail stores, which promptly spent the money on toys and games for Christmas. Familiar names like Monopoly, Meccano, Lego and Dinky, unheard of in Salisbury for several years, were sold out within hours of arrival.

However much of the improvement in the balance of payments may be offset by sluggish international markets for Rhodesian commodity exports. The government cannot afford any significant relaxation in import controls for fear of precipitating a massive balance of payments deficit

On the agricultural side, export earnings will not show any improvement until the harvest season which begins around next May, with tobacco and cotton perhaps two months earlier. Other bottlenecks remain. Transport congestion has plagued exports for the past year, as has the shortage of skilled labour. Neither will be solved by the lifting of sanctions.

Priority for available foreign exchange will certainly go to capital goods, to replace the ageing equipment still used by most Rhodesian manufacturers. Even that is likely to be rationed. Major capital spending programmes are also planned by the Electricity Supply Commission, Rhodesian Railways, and Air Zimbabwe Rhodesia, if finance is available.

If there is likely to be some pick-up in trade, foreign investment will be much slower to return, the business community believes. The major difficulty is the lack of a clear political solution in the country until an election has been held. Even mining companies with known prospects are sitting tight until they see the political make-up of the future Government and an end to the guerrilla war.

What is most noticeable about the Salisbury business community is its almost unanimous rejection of any solution which involves the Patriotic Front alliance. The overwhelming majority of otherwise pragmatic white businessmen refuse even to contemplate working under such a Government.

However, they also believe that some more sympathetic regime may yet emerge, either headed by Bishop Abel Muzorewa or Mr. Joshua Nkomo alone, and they are staying on in that hope. The same sympathy is undoubtedly held by the multinationals with interests in Rhodesia, although they generally feel more capable of surviving under a more hostile Government.

Britain to give way on poll observers

BY BRIDGET BLOOM, AFRICA EDITOR

BRITAIN SEEMS to have accepted reluctantly that an independently organised team of Commonwealth observers should monitor the forthcoming Rhodesian elections.

However, details of proposals for such a team are likely to be disputed by British representatives at a meeting in London this morning of the Southern Africa committee on which all 42 Commonwealth governments are represented.

The proposals, put forward by Mr. Sonny Ramphal, the Commonwealth Secretary-General, envisage an observer group of some 10 people who would be nominated by their governments but would serve in an individual capacity. They would include senior election experts and also diplomats and politicians and would be backed by a staff of up to 150.

The observers would include representatives from Nigeria, Australia and Canada. They would observe the Rhodesian election from the beginning of the campaign and would make an independent report to the Commonwealth Heads of Government.

Britain objects to key details of the proposals, most notably that it, as the governing authority in Rhodesia during the election, should provide for all the local needs of the team including independent transport and office accommodation. The Government maintains that the projected team is too big and would be too costly. Costs are estimated at about £400,000, excluding what could be substantial local requirements.

Behind these detailed British criticisms are more fundamental objections. Lord Carrington, the Foreign Secretary, has maintained privately for several weeks that whatever Commonwealth Governments might have thought they collectively agreed in Lusaka last August, a Commonwealth observer group of the type suggested by Mr. Ramphal could undermine the flexibility of Lord Soames, the Governor, as he tries to juggle with the complexities of holding an election while trying to maintain a ceasefire.

Some three weeks ago Lord Carrington issued invitations to each of the Commonwealth Governments to send, and to pay for, its own observers of the Rhodesian election.

However, faced with an apparent Commonwealth majority in favour of the secretariat's plan for an independent team, the Government will accept it under protest, though it may try to hand the problem of funding the team back to individual Commonwealth countries.

Oil dependence warning

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE WORLD faces "difficult economic problems, major uncertainties and potential financial strains" as a result of its excessive dependence on expensive oil, Mr. Anthony Solomon, the U.S. Treasury Undersecretary, told a Congressional hearing yesterday.

In what he described as a "sobering" review of global economic prospects, Mr. Solomon said it was imperative the international financing mechanisms be strengthened to meet future demands but that, ultimately, the only solution lay "in the ability of major countries, especially the U.S., to restrain oil imports, to become more energy efficient and to increase alternative supplies of energy."

Real current oil prices were now 80 per cent higher than they were a year ago—a steeper increase that the nominal two-thirds rise in the official OPEC price.

This, he said, had had "a dramatic effect" on global payments patterns. In 1979, OPEC was likely to run up surpluses of about $60bn, having been nearly in balance last year, while the industrialised countries would be $30bn in deficit, as oposed to $8bn in surplus, as would the developing nations. All non-oil nations could expect further payments deterioration in the future.

Although Mr. Solomon took some consolation from the fact that the payments burden was now more evenly shared among the industrialised countries, he doubted that economic growth in the OECD bloc would be more than 1 per cent next year (perhaps as much as 2-3 per cent outside the U.S.) — and even this modest advance was contingent on no major oil price increase.

Globally, he estimated that this year's oil price increases alone meant that payments financing needs will amount to about $85bn this year and "substantially more" in 1980, compared with an annual average of about $77bn in the previous four years.

Mr. Solomon broadly hinted that institutions such as the International Monetary Fund may need still greater resources to meet financing demands. The last increase in IMF quotas (which is unlikely to take effect until next year) merely ensured that the IMF was able to keep abreast of demand over the next five years—but it was now generally accepted that the prognosis was now much worse.

Mr. Anthony Solomon

Petrodollar problem worries U.S. bankers

By Stewart Fleming in New York

BANKERS in the United States are adding their voices to the growing concern about the ability of international banks to finance developing countries through what they expect to be a protracted period of current account surpluses in Organisation of Petroleum Exporting Countries (OPEC).

Bank economists such as Mr. Larry Brainard of Bankers Trust of New York and Mr. Rimmer de Vries of Morgan Guaranty Trust are now warning that because of radically changed political and economic conditions the problem of "re-cycling" OPEC's accumulating petrodollars will not be solved as easily as it was in the wake of the 1973 and 1974 oil price increases.

Some banks say their appetite has sharply diminished for increased lending to many developing countries, including even the select group which looked attractive three or four years ago because of their rapid industrialisation or natural resource base.

One bank conceded last week that it has already reached legally imposed lending limits to such a country. Mr. Tom Hanley, a bank stock analyst with Salomon Brothers, adds: "More and more U.S. banks are running into internal country lending limits and, in some cases, legal lending limits."

Last week one U.S. bank conceded that it is consciously avoiding heavy new commitments at present because it anticipates that before too long the rate of interest which can be charged on such loans will become more attractive.

Already there are signs that this caution is beginning to have an effect on the cost of funds to some developing countries. Mr. de Vries remarked last weekend in a speech to the Atlantic Institute of International Affairs that he already detects signs of increases in the management fees for several new credits.

Mr. de Vries forecast that over the next two or three years OPEC surpluses could average $70bn and might not fall below the 1979 level of $50bn until 1984. The result would be that OPEC's net external assets could grow from $160bn at the beginning of 1979 to $500bn by the end of 1983.

According to Mr. De Vries, "The prospects of continued large OPEC surpluses, a widening of payments imbalances among industrial countries and large increases in the current account deficits of the non-OPEC, less developed countries imply a substantial rise in the demand for balance of payments financing in 1980 and the years beyond."

Bankers are already casting around for possible sources of help in financing developing world deficits. Mr. de Vries argues that with "their own official aid organisations now established and their private financial institutions better developed, OPEC countries could and should make a greater contribution to lending and investing a larger share of their surpluses directly in deficit countries."

Yet such are the commitments which many of the leading U.S. banks have already made, it is arguable that some banks are effectively locked into financing certain of the developing countries. Citibank, for example, had almost 20 per cent of its lending in developing countries in 1978, including $3.4bn in assets outstanding in Brazil.

The depth of the banks' commitment has also been intensified by the recent trend towards lending in some developing countries in local currency.

Control of spot market 'the key to stability'

BY KIM FUAD IN CARACAS

ORDER IN the world's oil markets can only be restored through concerted efforts by oil producers and consumers to reduce activity and high prices paid on the spot market, Dr. Humberto Calderon Berti, the Venezuelan Minister of Energy, said yesterday.

"Consensus will be hard to achieve" at next week's conference of the Organisation of Petroleum Exporting Countries, he predicted in an interview with the Financial Times, on has return from a 30-day tour of 11 member states. "The broader the price gap between members, the harder it will be to achieve," he added.

Dr. Calderon would not comment on reports that Venezuela, in league with Saudi Arabia, the United Arab Emirates and Qatar, would raise its prices before the conference to reduce the gap and provide a basis for negotiation.

However, it is believed that the four producers—controlling 40 per cent of OPEC output — have decided to move to the $23.50 ceiling set for the second half of this year, which was broken in November by the North African producers. Such a move would recreate a unified structure for official selling prices at least temporarily.

Dr. Calderon reflected general OPEC preoccupation with the spot market in his assertion that "the only way to control this situation of anarchy and confusion is through collective efforts by producing nations and industrialised countries to avoid irrational developments on the spot market."

Looking further ahead Dr. Calderon said that OPEC's long range strategy committee, scheduled to meet in Caracas before and after the conference, has begun to formulate tentative mechanisms for adjusting prices. There is a growing consensus in OPEC that a basket of currencies, including the dollar, should be used as a means of calculation. For OPEC as a whole this would not mean switching from the dollar as a means of payment.

"Each contry has the sovereign right to demand the currency of its choice for payment for its oil exports," Dr. Calderon explained, saying — with apparent reference to Iran's demand for payment in Deutschemarks — that "OPEC should not be involved in such decisions."

In addition to automatic adjustments for monetary fluctuations, maintaining the real value of oil might include an inflation index based on products OPEC states import from industrialised countries.

As for increasing the real value he said, "We must incorporate a third element, which could be the economic growth rate of industrialised countries."

As for OPEC relations with non-oil developing countries, Dr. Calderon said that Venezuela, jointly with Algeria, will propose a major increase in aid aimed to building up the depleted Special Fund.

Kathleen Bishtawi reports from Abu Dhabi: The local newspaper Al Fajer yesterday reported that four oil producing states intend to increase their oil prices by between $6 and $8 within the next two days.

Quoting official petroleum sources in Abu Dhabi, it named the countries as the United Arab Emirates, Saudi Arabia, Venezuela and Qatar. No new increase would be discussed at the forthcoming OPEC conference, so that the other states might moderate increases, according to Al Fajer.

However, Sheikh Abdul Azziz al Thani, the Qatari Minister of Oil, denied that there had been any co-ordination between the four countries to increase prices.

Dr. Mana Said al Otaiba, the UAE Oil Minister and current OPEC Chairman, yesterday paid a short visit to Qatar carrying a message from Sheikh Zayed, the UAE President. There was no official comment on the message or the reason for the visit.

Companies bid $1bn in Alaska

By David Lascelles in New York

OIL COMPANIES made just over $1bn worth of winning bids for the right to explore for oil and gas in the Beaufort Sea off Alaska. The results of the auction, held late on Tuesday in Fairbanks, Alaska, were thus in line with industry predictions.

Bids were made for 87 of the 116 tracts on offer. However, drilling will not start for some time because of legal disputes over ownership of some of the tracts, and environmental problems.

The highest bid was $143m for tract 37 by a group led by Atlantic Richfield, which is already active on the North Slope bordering the Beaufort Sea. Many other companies operating in Alaska also placed bids, including British Petroleum and Standard Oil of Ohio (SOHIO) its U.S. subsidiary, which won a total of nine tracts between them.

Cash bids were accepted only for the 45 federal leases on sale. The remaining 71 leases were being offered by the state of Alaska on a share-of-the-profits basis, and bids were made in the form of percentages. Winning bids in this category ranged from 93.20 per cent by Amerada Hess on two tracts, down to only 2.76 per cent by Chevron.

This novel form of bidding is more risky for Alaska than the regular cash bid. However, it may yield greater revenues in the long run if oil is found.

None of the leases will actually be awarded until a number of legal issues are settled. The main one involves a dispute between the state and federal Governments over ownership of 27 tracts. Several environmental and local Indian groups have also filed suits to try to block the drilling, on the grounds that it would ruin the Beaufort Sea's rich marine life.

Canada's energy prices to rise

BY OUR OTTAWA CORRESPONDENT

CANADIANS face a steep increase in the price of energy as a result of the long-term strategy disclosed in the first budget speech delivered by Mr. John Crosbie, the Finance Minister in the Progressive Conservative Government.

As a more immediate measure, Mr. Crosbie announced the intention to sell up to 1m ozs of Canada's gold stock of 22m ozs. Part of it would go to the Royal Mint for its Maple Leaf gold dollars.

Besides dearer energy, Mr. Crosbie's budget, introduced late on Tuesday, incorporated two further long-term policy aims:

● The federal deficit, around C$10bn (£4bn) in 1979-80, or 3.9 per cent of GNP, is to be cut to C$8.2bn (£3.2bn) in 1980-81, and to 1.1 per cent of GNP by 1983-84. To that end annual growth is to be held to 10 per cent, barely more than the expected inflation rate, and reduced personal income taxes will be counterbalanced by higher excise duties and a temporary 5 per cent surcharge on corporate income taxes.

● Capital gains tax is to be amended to encourage Canadian residents to invest in listed Canadian equities, following up a campaign promise by Mr. Joe Clark, the new Prime Minister, to create incentives for drawing savings "from Canadian stocks into Canadian stocks."

Canada has the lowest prices for oil and gas of almost any industrial nation, and according to an OECD study consumption per head is higher than anywhere else. Mr. Crosbie proposes an increase of excise tax on petrol to yield C$535m (about £211m) in the fiscal year running to the end of March, and C$2.54bn (£1bn) in 1980-81.

More important, an agreement is being negotiated with the oil-producing provinces which will put up the price of oil sold on the domestic market in three stages next year by C$4 a barrel during 1980, and by C$4.50 a barrel annually in the three following years.

An energy tax is planned to be introduced in 1980, intended to recoup from the oil companies roughly half the return from annual price increases in excess of C$2 a barrel.

The 5 per cent surcharge on corporate income taxes, introduced for purely fiscal reasons, is expected to yield no more than C$10bn this year, rising to a full C$510m in 1981-82 and being phased out in the following year.

In the field of personal income tax, Canadians will benefit by C$1.4bn in 1980-81 from the long-established indexing of tax allowances. Mr. Crosbie expects to add about C$600m to this by making mortgage interest deductible from taxable income.

Connally refuses federal financing

BY OUR U.S. EDITOR IN WASHINGTON

Mr. JOHN CONNALLY has decided to do without federal financing in his pursuit of the Republican Party's presidential nomination. This very important tactical decision seems to have been brought on by his lack of success so far in whittling down the leading margin in the Republican field held by Mr. Ronald Reagan.

By not accepting federal matching funds, a candidate is not bound by the campaign spending limits in each primary state. Mr. Connally has by far the biggest war chest amassed by anybody (between $7m and $8m) and clearly feels that this resource must be put to maximum use in some critical, early primary elections.

In particular, the Connally campaign, is eyeing the primaries in New Hampshire and Florida, in both of which he is spending money at rate which will soon reach statutory spending ceilings. Mr. Connally would like to conduct the sort of expensive television and advertising blitz which would take him over the limit.

Under the federal election laws, if a candidate exceeds the ceilings in early primaries, he may not subsequently apply for federal financing. His gamble, therefore, is that if he does not achieve early success against Mr. Reagan and if his private financing drys u pas a result, he could be strapped for money later in the campaign.

All Republican candidates have been concerned about the apparent impregnability of Mr. Reagan's lead, but this may well have been alleviated by the release of another Gallup poll yesterday recording Mr. Carter's astounding recovering in popularity which showed, inter alia, that the President now leads Mr. Reagan by 60 to 36 per cent. In September the two were level while in October Mr. Carter's lead was small. This may strengthen latent republican doubts that, despite being held in high esteem within the party, Mr. Reagan is a man who cannot win a national election.

Gallup found that Mr. Carter now held an eight point lead (48-40) over Senator Edward Kennedy in the opinion of Democrats, a dramatic reversal of the Senator's previously massive lead.

Japan 'reconsidering' its Iranian spot oil purchases

BY CHARLES SMITH IN TOKYO

JAPAN WILL reconsider the "timing, volume and prices" of its spot purchases of Iranian oil following U.S. protests that the heavy purchases made by Japanese trading companies during the past month have amounted to "cashing in" on the difficulties the U.S. currently faces with Iran:

This was stated yesterday by an official of the Foreign Ministry.

The official added that the suspension of spot oil imports from Iran is not being considered because Japan cannot dispense with such imports at a time when major international oil companies are scaling down their deliveries of oil to Japanese oil refiners.

The problem of Japan's spot purchases of Iranian oil figured prominently in a meeting in Paris on Monday between Foreign Minister Mr. Saburo Okita, the Foreign Minister, and Mr. Cyrus Vance, the U.S. Secretary of State.

Mr. Vance is believed to have cited reports that Japanese trading companies have bought 20m barrels of Iranian oil at prices of up to $40 per barrel in the month since the U.S. suspended imports of Iranian oil.

Imports on this scale, at these prices, have, in the American view, undermined the impact of U.S. economic sanctions against Iran more seriously than anything else that has happened during the past month.

Japan's explanation of the heavy spot purchases made by some trading companies is that the companies concerned were "blackmailed" into buying highly priced Iranian oil by the threat that deliveries of oil at "normal" prices would be suspended if they failed to comply. The companies were vulnerable to this threat, officials say, because other sources of supply have been drying up in recent weeks owing to the withdrawal from the Japanese oil market of the international majors.

The Japanese Ministry of International Trade and Industry (MITI) said that Mr. Naohiro Amaya, its Vice-Minister for International Affairs, went to Washington yesterday to explain Japan's position on oil imports.

Japan normally buys about 10 per cent of its oil under direct deals negotiated between trading companies and the National Iranian Oil Company. Another 11 per cent of the total comes from the spot market while the international "majors" supply an estimated 50 per cent.

The majors' share of the total is now falling rapidly thanks to the non-renewal of contracts with non-affiliated Japanese oil refining companies.

This has been compensated for, so far, by sharply increased spot market purchases and by a modest increase in the amount of oil brought in under direct deals with the governments of producing countries.

MITI, which has overall responsibility for ensuring a smooth flow of oil into Japan has made no attempt to prevent oil importers from using the spot market, but has sought to discourage them from paying excessively high prices for oil through a system of advance monitoring of import contracts.

W. German oil technology hopes

BY ROGER BOYES IN BONN

WEST GERMANY has a strong chance of expanding its market share in offshore oil technology during the 1980s, in spite of the sharp competition from the U.S., Britain and other European countries.

This is the main conclusion of a report on the offshore industry issued by the West German Commerzbank, which recommends that West German manufacturers should concentrate on small-scale specialised technology, on supply ships and repair services rather than on major exploration platforms.

The report suggests that the West German offshore industry has remained relatively small, with annual sales turnover of about DM 1bn (£264m), because of a number of geographical and political obstacles. With the onset of the latest energy crisis, however, demand for offshore technology is likely to rise sharply and West German concerns are in a position to benefit.

The report believes there are three main inhibiting factors. First, many countries with shelf rights—especially in the North Sea—have been particularly protectionist about their offshore technology.

Second, West Germany has no major oil company prepared to guarantee large and regular purchases of technology. Deminex, a subsidiary of Veba, has expressed willingness to co-operate with offshore producers but so far no big investment projects have materialised in West Germany.

Finally, West Germany has only a short coastline on the North Sea with negligible shelf rights. The recent discovery of more oil in the Baltic by a consortium which includes the West German companies Wintershall and Deutsche Texaco could, however, give an important boost to offshore producers.

In spite of the problems, offshore producers look like expanding their trade substantially in the next decade. But the report emphasises that, given West Germany's relatively late entry into the market, it should focus initially on offshore services and smaller projects.

Supra widens overseas base

BY PETER CARTWRIGHT

THE SUPRA Group, taken over by Mr. Quinton Hazell six years ago as the base from which to start another automotive spares business, has just penetrated its 80th export market.

It has established a base in Singapore to service all Japanese made cars sold in the Philippines, Sarawak and Indonesia.

"In spite of what you read about the impending demise of the British motor industry it is still possible to buck the trend," Mr. Hazell, the group chairman, said on opening a new headquarters at Warwick.

The group also intends to supply replacements for cars like the Hyundai Pony now coming into Europe from South Korea, and the Peykan in Iran, made in emerging industrial countries

The group also plans to grasp a larger share of the expanding European do-it-yourself market because of escalating garage costs. It has bought a controlling interest in a small business based products for the automotive... ness near Turin making rubber-based products for the automotive and domestic appliance industries. It has been a supplier to the group for a number of years.

In the six years since Supra entered the automotive spares business turnover and profits have increased fivefold and about 35 per cent of its output is sold overseas. A continuation of the rate of expansion is expected next year.

"People are not going back to walking but they are going to keep their cars longer and to do more of their own repairs and replacements themselves," Mr. Hazell said.

● A £1.2m order for computer systems has been won by International Computers of the UK from Standard Electrica, Spain's leading telecommunications company. ICL said it would supply eight system ten, 220 computers, 107 of the recently-introduced ICL 9601 factory terminals and 33 ICL 9605 attendance stations. The systems will be installed in four of Standard Electrica's factories, two of which are in Madrid and the others at Santander and Toledo.

● Dex Gears, a Dowty Group factory in Coventry, has received orders for special machine tool equipment worth £600,000, of which some 70 per cent is for export. This equipment, which consists mainly of the new Dex 90 heavy duty multi-drilling heads, will be exported to Australia, Brazil, West Germany, Poland and the U.S.

UK company in joint Hong Kong shipyard link

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A & P APPLEDORE International of the UK has linked up with the C. Y. Tung Group and Chung Wah to build and operate a new shipyard in Hong Kong.

Called Eurosala, the project will cost HK$240m (£22.3m) and will incorporate the ship repairing business of the Overseas Shipyard Corporation. It will be located in Tsing Yi Island and is expected to start ship repairing work next April.

This is the second overseas management contract won by A & P Appledore who are consultants in the shipbuilding industry. Last January it was given a seven-year contract to manage the Neorion shipyard in Syros, Grece. A & P will manage the construction and operation of the Hong Kong yard along with Chung Wah.

The yard will drydock ships up to 80.000 dwt and will also seek orders for construction of small and specialised vessels such as container feed ships, patrol and supply boats and fishing vessels.

Jordan dam project moves ahead

AMMAN — Contractors have been invited to submit prequalifications before bidding for the construction of Jordan's largest dam on the Yarmouk River, which forms part of the Jordan/Syria border, the Jordan Valley Authority (JVA) said.

Prequalifications for building the Naqarin Dam will be received until February 18. Tender documents will be available to prequalified contractors on May 31, to be opened on August 31 and the contract awarded on January 20, 1981.

Reuter

Discreet moves by France to rebuild Vietnam ties

BY DAVID WHITE IN PARIS

NEARLY five years after South Vietnam fell to the Communists, the one-time colonial power in the region is quitely rebuilding its commercial interests.

France, with its history of having long provided Hanoi with its biggest source of Western aid, is reinforcing its position as Vietnam's biggest trading partner west of the Soviet Union. Three French companies managed to escape nationalisation; one never stopped working, all three are now entering into joint ventures with the Vietnamese Government, and business is good enough, for instance, for a French motor manufacturer to be seriously considering diversification into fishmeal.

The Government refuses to disclose the amount of aid it gives to one of the most criticised of Communist regimes: in 1973-76 the overall French contribution, including Government grants, credits and guaranteed bank loans, was a third of what Hanoi received from the West.

Vietnam is the only country among France's former Indochinese protectorates with which Paris still has diplomatic relations. Relations with Laos are suspended, and there are none with Vietnamese-controlled Cambodia.

The French colonial period in the region ended 25 years ago after a six-year war. Up to 1975, 60,000 Vietnamese had arrived in France. As many have arrived since then, not counting the thousands of French nationals of Vietnamese origin or the number of clandestine refugees. Middle-class Saigon now operates from a central Paris ghetto.

The French overestimated the extent to which they could capitalise on historical links, as far as Hanoi was concerned, in 1977, when Pham Van Dong made Paris his first destination in the West, as Vietnamese Premier. The two sides signed agreements on economic, political, technical and cultural relations. The French were to build a steel plant at Thai-Nguyen, north of Hanoi, a cement factory at Ho Chi Minh City (Saigon), and a cotton-mill, together worth about $350m.

The grand reconciliation was followed by a lull. Eighteen months later, France's FFr 2bn (£224.4m) credit line was less than half used. Creusot-Loire's deal on the Thai-Nguyen project, due to produce between 250,000 and 500,000 tonnes of steel a year, had to be renegotiated and is still not finalised. Other projects, including mining and textiles, were left in the air. Elf-Aquitaine, the state-controlled French oil company, signed an agreement in principle on exploration rights more than two and a half years ago and has heard nothing since.

The cut-off of Chinese aid to Hanoi in July last year, following Vietnam's adhesion to Comecon could lead to the reopening of some of these opportunities.

In any case, France's market in Vietnam has been steadily increasing. French exports, made up primarily of heavy equipment such as boilers, electrical goods, cereals, dairy products and fertilisers, were just over $80m (£37m) in the first eight months of this year—about a third of the value of France's sales to China in the same period.

Last year, France's exports doubled to $98m West Germany and Sweden also built up their sales, but those of the Soviet Union (the dominant trading partner) stagnated at $410m and those of Japan (the only industrialised country with a bigger market share than France) tumbled by 35 per cent to $145m.

These figures, drawn up by the French Foreign Trade Centre, show that France accounted for 40 per cent of the EEC's overall trade with Vietnam, and almost a fifth of all Western trade.

French officials indicate that aid policy has remained basically unchanged. As with other Comecon countries, credits are rolled over each year. Normal cover is provided on industrial contracts by COFACE, the export credits guarantee body.

The Vietnamese, in order to reduce their chronic trade deficit, have pressed for compensatory contracts for their orders of French machinery. But the granting of special credits has given the French a way out of these commitments. French imports from Vietnam—essential oils for making perfume, rubber, flour, handicrafts—have risen but are still tiny; $4.25m between January and August this year.

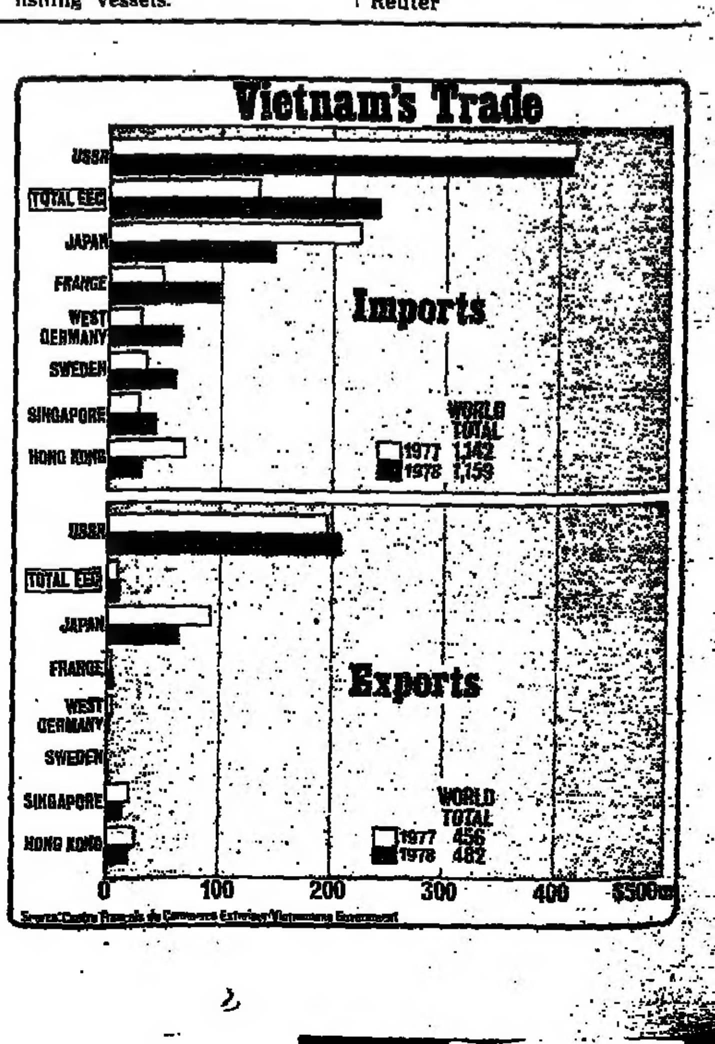
And then there are those three French companies which, through partition, war, invasion and nationalisation, never moved out.

Rhône - Poulenc, France's multinational chemical group, was spared expropriation of its small health products activities, which are now being relaunched as a joint venture, Vinaspecia, in Ho Chi Minh City. Under a 15-year, renewable agreement, the French company holds 49 per cent alongside Compagnie Générale Pharmaceutique du Vietnam.

Roussel - Uclaf, which is France's leading specialist in the same field, reached a similar agreement with the Vietnamese state company in September. In this case, no new investment is required at the outset, since the plant has kept up continuous production, even if at a reduced rate in the last few years.

When the North Vietnamese entered Saigon in April, 1975, the director of the factory stayed on and began negotiating to find a formula whereby Roussel-Uclaf could stay. He did not leave until late in 1977. The top man at the new company, which will have 400 employees, will be Vietnamese, but the French company will send in a production manager

The other French company to escape nationalisation was Automobiles Citroen, which had an assembly plant for jeep-style vehicles. The plant was closed down and remains so, but Citroen is still the sole proprietor. It plans to cede part of the capital under the same kind of deal worked out by the pharmaceutical companies.



No Oxbridge bias here, says Civil Service

BY PHILIP BASSETT

ACCUSATIONS OF bias in favour of public-school, Oxbridge-educated candidates for the Civil Service's administration trainee scheme are denied in a report published today by a Civil Service Commission committee of inquiry.

The review, which is designed to express able new entrants through the ranks, was set up in response to criticisms of bias in selection by the House of Commons Select Committee on expenditure.

The committee pointed out the often-repeated charges that the scheme favoured pupils of fee-paying schools, graduates from Oxford and Cambridge and arts rather than social or natural science graduates.

The report of the committee under Dr. F. H. Allen, First Commissioner of the Civil Service Commission, argues, however, that "the system itself is a greater safeguard against the favoured treatment of an individual or a group than its substitution by an objectivity which, in the present state of knowledge, is likely to be spurious."

It says that critics tend not to be fully informed about the scheme; the Commons committee, for instance, did not take up an invitation to see a selection board at work. What the committee said, the report argues, without benefit of this experience, may well have had the effect of further entrenching the myth of unfair bias.

The report admits to discrimination in the selection procedure, but says that this is "essentially related to the needs of the job and the qualities required in an administrator in the Civil Service."

It agrees that Oxbridge candidates do well in the selection procedure—a success rate of 18 per cent as compared to the 5 per cent rate from other universities.

But the committee takes the view that the two universities attract a disproportionately large number of the ablest school leavers, which with the type of teaching system practised at the two universities is bound to produce the type of candidate for which the Service is looking.

A fair procedure, too, it argues, "is not necessarily one in which candidates from different schools or universities have the same success rates," but it urges the Commissioners to concentrate further on recruiting the most able graduates from other universities and the polytechnics.

If the present method of selection which is providing fewer entrants of the highest quality, continues, it says, an expansion of the field to be drawn upon will not only be desirable but necessary.

In particular, fewer of the most able graduates from Cambridge are applying. Both the number of applicants and successful candidates from Cambridge have declined in recent years.

The report also notes that first-class honours graduates performed better in the scheme than those with second- and lower-class degrees, and that in 1978 14 per cent of Oxbridge candidates had first-class degrees compared with only 5 per cent from other universities.

(Report of the Committee on the Selection Procedure for the Recruitment of Administration Trainees: Civil Service Commission, 1979.)

Wage claims 'based on growth of real earnings'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH in real after-tax earnings is the basic yardstick upon which pay claims are based according to a new study published this morning by the Society of Business Economists.

Writing in the Business Economist, the society's journal, Mr. John Thornton of the Bank of America argues that the increase since the 1950s in the social wage — expenditure on the social services and payments financed by the Government via wage deductions — does not appear to have met with any trade-off in lower pay demands.

Over the past 25 years these claims seem to have been aimed at achieving a steady growth in real disposable income.

The study shows that the Government take in tax and insurance contributions from the average worker's pay packet rose from 3 per cent in 1952 to 23 per cent in 1975.

Increased Government deductions from wages were positively related with higher wage levels, especially in the 1963-75 period. Every 1 per cent increase in the rate of deduction by the Government appears to have had a 0.85 per cent impact on wage rates.

Moreover, far from higher wages appearing to be a result of higher profits the growth of wage and of profits conflict with each other.

Available from the Society of Business Economists, 11, Bay Tree Walk, Watford, Hertfordshire WD1 3RX, price £4.50.

Airlines 'not gifted in art of communication'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

KEEP passengers informed of delays and difficulties over fights the Air Transport Users' Committee tells airlines and airport authorities in its annual report, published yesterday.

"There seems to be no airport or airline in the world that fully understands the art of communication with its users," it says.

"Every reasonable traveller knows that delays may occur, and errors may be made, for reasons quite outside the control of any particular supplier. But passengers who are given no explanation of the trouble tend to become anxious, tense, irritable and on occasion even violent.

"This reacts upon staff, who may themselves be tired and harassed, so that they sometimes resort to giving any explanation that comes to mind, and a passenger may hear three different stories from three different officials.

"Of course, air passengers are not the only ones to suffer from lack of information. Bus stops, booking offices, Post Offices and stationary trains are all scenes where a bit of communication with those who wait would save much fraying of nerves."

The committee says "a soothing sound from an airport official, a sympathetic suggestion from an airline employee, a reassuring word from a tour operator's courier will not remove the problem or expedite the departure, but it may do wonders for the passengers' morale."

The committee also draws attention to the fact that smokers generate more and more complaints.

"Airlines are still slack about allocating enough non-smoking seats, and claim that cabin crews have no real authority to stop smokers lighting up, no matter where they sit. The committee is continuing to press the airlines to sort this problem out."

The committee is also concerned about the rise of nearly 300 per cent in the cases of malaria reported in this country during 1978—1,909 cases, including nine deaths. It suggests airlines and travel agents have been slow to pass on the message about tropical diseases.

Forget state aid, Scots urged

BY JAMES McDONALD

THERE IS no future for a Scotland demanding state aid "from Wick to Wigtownshire," Mr. Alan Devereux, immediate past chairman of the Confederation of British Industry in Scotland, told the Institute of Bankers in Scotland last night. "This Government won't do it and the previous Government couldn't," he said in Edinburgh.

Scotland must look squarely at such realities as the flight from Clydebank of 17 major companies in the past few years. There was a sharp distinction between master and servant within the place of work.

ANGER AND BITTERNESS AS A COMMUNITY'S FEARS BECOME REALITY

Steel closure leaves Consett without hope

BY A SPECIAL CORRESPONDENT

FOR THE second time in a generation, the County Durham steel town of Consett faces a future without hope.

The steelworks, the town's major employer for more than 130 years, closes in autumn under the British Steel Corporation's 52,000 jobs cut.

The closure of the works, with the loss of 3,750 jobs, is expected to push male unemployment levels in the town up to at least 30 per cent, and may be nearer 40 per cent.

Already one man in eight is on the dole because of redundancies in the steel industry over the last few years and earlier pit closures.

Mr. David Watkins, Consett's Labour MP, says "We are facing nothing less than a return to the depression. Three out of four people in Consett are directly or indirectly dependent on the steel industry.

"Consett could become the Jarrow of the 1980s, there is no other industry in the town to speak of."

For generations, Consett has depended on coal and steel for prosperity. Over the last 20 years 15,000 jobs have been lost in the pits leaving only one small colliery employing around 200.

The steel industry, which was the remaining pillar of the community, has also shed over 3,000 jobs in the past five years.

The local authority and trade unions say Consett has never fully recovered from the pit closures, and with such total dependence on steel, now faces the second major crisis within a generation.

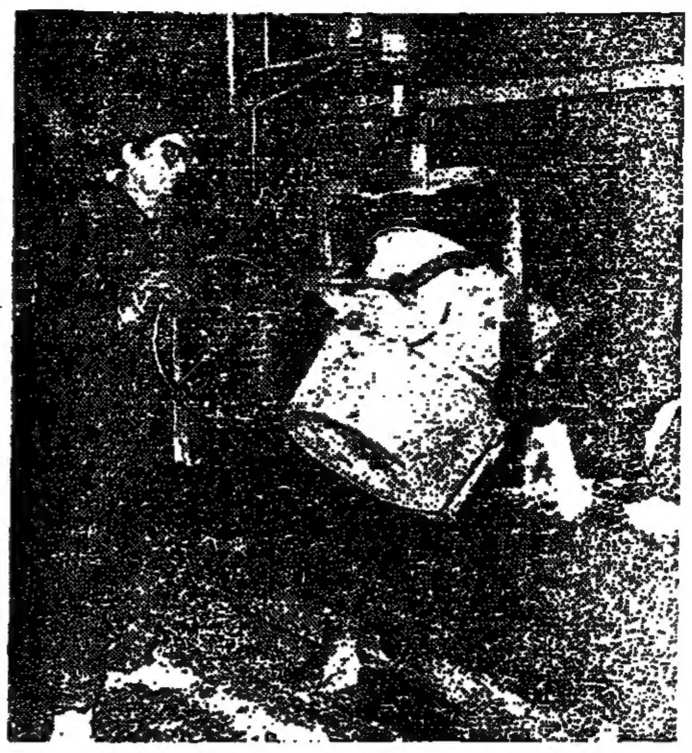
As news of the closure spread through the community of 36,000 people, the reaction was one of anger and bitterness with more than a measure of resignation.

Most of the anger is directed at the BSC which right up to last week insisted long-standing fears about the future of the works were groundless. Some of the apprentices who now face an uncertain future were only taken on last month.

The works, which have a capacity of 1.3m tonnes of steel a year, lost £15.2m last year but only £3.1m in the six months ending in September. In the last three months, the works has even made a modest profit.

"The whole town has been betrayed. We were told that we had to become profitable by March 1980 if we were to have a future. We have done it, but the works is still to close," said Mr. Watkins.

Consett steelworkers have a proud tradition. They produced the steel for Windscale and for Britain's nuclear submarines, and are today still acknowledged as the producers of some of the highest quality steel in



BSC. Like their MP, they feel betrayed.

Derek Saul, the managing director of BSC's Teesside division—which includes Consett—admits the works have not fallen victim to any inadquacy in its own performance but the general problems of the steel industry.

The town, which suffers from a relatively isolated location in the Derwent Valley, has been bequeathed a legacy of serious environmental problems by the coal and steel industry and neither the local authority nor Durham county council is optimistic about the prospects of attracting new jobs.

The steelworkers face journeys of up to an hour to find work in towns like Newcastle or Sunderland which have considerable unemployment problems of their own.

Consett's communications are already poor, and with the closure of the steelworks, British Rail is expected to shut the railway line.

A measure of the huge problems facing the town is that its major employer will now be Celluware, which although a highly successful business manufacturing table mats, mainly employs girls.

The only two large factories within a few miles of the steel town are the Ransome Hoffman Pollard bearing plant at Annfield Plain, and the Ever Ready battery factory at Tanfield Lea, but neither could hope to provide more than a nominal number of new jobs.

The steel corporation's job-hunting organisation BSC (Industry) has been active in Consett since the beginning of the year and has so far managed to attract five small firms employing 150 in ottal.

BSC (Industry) estimates the numbers employed by the five companies will rise to around 400 by 1982. Other companies will also be attracted to the otwn in the coming months, but there seems little possibility of success on the scale required.

"I can't see any way that we are going to be able to find even a fraction of the jobs we are going to need. Our experience in Consett over the years has ben that for every five jobs we lose only one is replaced," said Mr. Watkins.

"Shops are going to close, local businesses go bust and houses become virtualy worthless. It won't happen immediately but you can't tear the heart out of a town and think things can go on just as before," said one steel union official.

The closure, which will increase the depopulation which has been a feature of West Durham for many years, has come at a particularly embarrassing time for the local authority.

Work has just started on a multi-million pound redevelopment of the town centre which will now be difficult to finance with the loss of the £1.5m rate income from BSC.

The end of Consett steelworks will create further problems for the Durham coalfield, which has been hard hit by BSC's increasing coke and coal imports. No pit-closures will be necessary, according to the National Coal Board, but the loss of a market for 200,000 tons of coking coal a year will have some effect on jobs in some pits.

Sacking of Govan chief condemned

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE BOARD of British Shipbuilders were yesterday accused of acting like dictators in sacking without notice or explanation Mr. Archie Gilchrist, chief executive of the Govan Yard in Glasgow, who was replaced on Tuesday.

Mr. Bruce Millan, Shadow Scottish Secretary, said he was appalled at the way Mr. Gilchrist, who had been at Govan for eight years, had been treated.

Any employee had the right to an explanation when he was dismissed, but Mr. Gilchrist had not been given one nor had the local directors of the shipyard been informed, much less consulted.

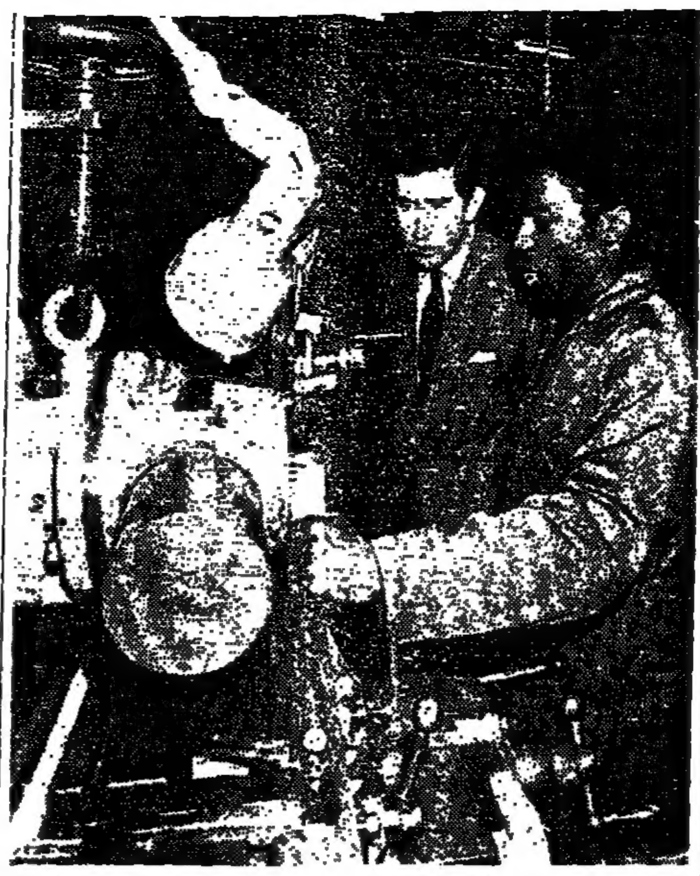
Mr. Millan demanded a statement from the Government and added: "It was acknowledged that during Mr. Gilchrist's period as chief executive excellent worker/management relations had been built up at Govan. These have to be safeguarded and assurances must be given about the yard's long-term future."

But at the Govan Yard, a meeting of the workforce agreed to co-operate with the new chief executive, Mr. Eric Mackie, former head of British Shipbuilders' repair division.

In view of the confirmation of an order for two bulk carriers, they also agreed to drop their opposition to the redundancy programme, which has already been negotiated with management and which will reduce the labour force from 5,500 to 3,200 by the middle of next year.

Mr. Sammy Gilmour, shop stewards' convenor, said that unions would not stand by and see shipbuilding ended on the Upper Clyde. The new orders just put things off and it was up to management to secure follow-on work for the yard.

The executive board of British Shipbuilders was due to have given a decision by yesterday to unions on the future of the Robb Caledon Yard at Dundee, which is under threat of closure. But it did not do so.



Prince Charles chats to 18-year-old apprentice Cecil Rowe at T I Raleigh, Nottingham.

Private sector invisible earnings rise forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ABOLITION of exchange controls should give the private sector scope for increased invisible earnings, according to a Treasury analysis published yesterday.

A special article on trends in invisible trade in the Treasury's Economic Progress Report says the recent sharp fall in the traditional surplus "must be a cause of concern, particularly while a large deficit on the balance of trade continues."

The invisibles surplus was £670m in the first nine months of this year, a fall of £890m compared with the same period of 1978.

The Treasury points out that much of the deterioration has not been the result of the poor performance of invisible exporters as gross earnings have continued to grow.

The reduction in the surplus has arisen because of increased Government expenditure overseas (particularly on the EEC Budget), because of the increased profits earned by foreign oil companies in the North Sea, because of increasing foreign travel by UK residents, and because of a decline in net earnings from UK banks' borrowing and lending in foreign currencies.

The Treasury suggests that exchange controls have probably reduced the net as well as gross stock of overseas assets below what it would otherwise have been.

"With a rising contribution to the visible account from North Sea oil the rest of the balance of payments has to adjust. With a floating exchange rate this must occur either by a deterioration in our non-oil trade or by a net capital outflow. Exchange controls prevented any substantial adjustment coming about through the capital account and forced most of it to come through a deterioration in non-oil trade."

The Treasury says "removing exchange c[ontrols] gives the private secto[r] opportunity to save some income from North Sea o[il] invest it overseas, rather [than] spending it on imports."

"To the extent that thi[s hap]pens, competitiveness [should] improve and the adjustmen[t] fall on the capital rather [than] the current account. We [will] be building up our net [stock] of overseas assets, which [will] provide additional income [when] oil production starts to dec[line.]

"The abolition of exc[hange] controls will also have [some] indirect effects on our inv[isible] earnings. Our invisible [ex]porters will be freed from regulations and requir[ements] that previously involved ad[mini]strative costs. Freedom to [offer] their customers a wider [range] of facilities should also [enable] them to compete effectively."

Machine tools face 20% demand fall in next five years

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE MACHINE TOOL industry faces a grim future over the next five years, according to forecasts which have been prepared for the industry by the Henley Centre for Forecasting.

Demand for machine tools, which are sometimes considered an indicator of overall capital spending by industry, is forecast to fall by 20 per cent in the UK over the period, with British machine tool manufacturers taking the brunt of the decline.

Imported machine tools have been steadily increasing their share of the British market over a long period and the forecasters expect this trend to continue. In these circumstances, the Henley Centre expects imports to drop by only 9 per cent by 1984, while British manufacturers are expected to see their home orders falling by about one-third against 1979 levels. Export orders for machine tools are forecast to show a decline of similarly large proportions.

The decline of the motor industry, which is the single biggest customer for machine tools, is one major reason for the contraction of the machine tool industry in recent years. Other reasons cited in the Henley Centre report are growing competition from low cost developing countries and Eastern Europe, which is expected to intensify over the next five years; and the growing number of numerically-controlled machine tools in industry.

In 1972, these machines accounted for 7.2 per cent of sales but they had captured 12.3 per cent of the market by 1978. Numerically-controlled machine tools increase considerably the amount of work performed by each machine.

In the past year, the machine tool industry saw a slight recovery from the severe post-1974 recession. Sales by British manufacturers in 1979 are expected to total £292.8m (1975 prices) against £241.8m in 1977 and £270.8m in 1978.

But British machine sales are expected to drop to £223m by 1984, although modest growth is forecast for 1981 at the peak of the UK economic cycle before it declines slowly again in 1983 and 1984.

As with all medium-term forecasts, the Henley Centre report warns that the accuracy of the figures must be more suspect in the later years and it also contains reservations about the degree of accuracy which can be achieved for the forecasts of imports.

In spite of the problems surrounding the future, machine tool companies (producers and importers) are investing a total of £20m in the Birmingham exhibition being organised by the Machine Tool Trades Association next spring. Over 1,000 manufacturers will be represented and the organisers are hoping for an attendance of 110,000.

Sunderland wins £60m carrier orders

By John Elliott, Industrial Editor

THE SUNDERLAND shipyard of Austin and Pickersgill yesterday announced orders for two bulk carriers which bring the total value of work they have received in the last nine days to £60m.

The orders total nine ships and will provide work for the 3,000 workers at the yard until the first half of 1981.

Intervention fund subsidies totalling about £12m to £15m are expected to be paid on the orders, under rules agreed by the European Commission, to help bridge the gap between the costs of British shipbuilding and prices obtainable in international markets.

The orders make Austin and Pickersgill one of the best placed UK yards to survive the present slump in the world shipping and shipbuilding industries.

Mr. Derek Kimber, chairman of the company which is part of British Shipbuilders, said yesterday that a major attempt to improve productivity would be made to ensure that the ships are delivered on time without making losses.

Yesterday's two orders were for two 26,000 tonne bulk carriers to be built for unnamed owners in the Far East and the Phillipines.

The seven other ships ordered are three SD 18 multi-purpose cargo carriers for the Pakistan National Shipping Corporation, a B26 bulk carrier for a Hong Kong concern, and three SD 14 14,000 tonne cargo liners for owners in West Germany and Greece.

Moves to end Sasse case deadlock

BY JOHN MOORE

ATTEMPTS were being made late yesterday to resolve a deadlock between underwriting agents and members of the disaster-struck Sasse syndicate of Lloyd's, facing £20.2m of losses over an arbitration to decide whether the members were liable for their losses.

Over half the 110-strong syndicate was planning to dispute its liabilities on the £20.2m losses through a judicial arbitration before Mr. Justice Mustill.

Other parties in the arbitration were the Society of Lloyd's; Sasse Turnbull and Company, former managing company of the syndicate; and the underwriting agency companies Merrett Dixey Syndicates, H. Clarkson and Company (Agencies), R. F. Kershaw, Bradstock and Barker (Underwriting Agencies), Sellers Allt (Underwriting Agencies), Tyer (Underwriting Agencies) and Fenchurch Underwriting Agencies.

The deadlock arose because after the terms of the judicial arbitration had been agreed two underwriting agencies found that their Errors and Omissions underwriters would prevent them from participating in the arbitration.

Errors and Omissions underwriters provide the indemnity insurance cover for the professions.

It could mean that the arbitration would be halted because of the disagreements. Lawyers acting for a large proportion of the syndicate members suggested this week that it might be necessary to issue a summons in the commercial court asking for an order to direct a speedy trial openly in the courts.

The basic issue that would be considered if that were to happen would be: Were the contracts of insurance concluded by Mr. Sasse on behalf of the syndicate, in excess of the actual authority given by the syndicate members?

If the matter were to come before the courts it could be embarrassing for Lloyd's.

There was growing pressure in September to keep the matter out of the courts to prevent further damage to Lloyd's international reputation. The arbitration method was agreed at the instigation of Mr. Justice Donaldson.

New rules for Scots agency

By Ray Perman, Scottish Correspondent

GUIDELINES ISSUED by the Government yesterday instruct the Scottish Development Agency to seek the maximum private sector participation in any new investments it makes.

The new rules, tabled in the Commons by Mr. George Younger, the Scottish Secretary, play down the agency's powers to intervene in industry as subordinate to its less controversial roles in overseas promotion, factory building and clearing derelict land.

They are intended to meet criticism from inside the Conservative Party and from banks and industry, but do not materially inhibit the agency.

In one important respect—the rate of return expected from investments—the guidelines are more flexible than those laid down by Labour. Instead of being required to work towards the return of 15 per cent on capital employed by 1981, a target which was proving extremely difficult to approach, the agency has now to achieve only an "adequate" return.

In future, investments will be channelled through a wholly-owned subsidiary company on which agency staff will sit with directors recruited from the private sector with experience in industry, banking, accountancy or finance.

The Government had, originally, hoped to persuade the banks to participate in financing the investment subsidiary, but dropped the idea after a cool reaction from the Committee of Scottish Clearing Bankers.

The subsidiary will vet investments to ensure companies receiving aid have a reasonable chance of being profitable and are not being given soft loans or any unfair competitive advantage over other firms in the same business.

Investments of more than £1m or where the equity stake acquired will be over 30 per cent, will need prior approval from Mr. Younger.

Court upholds City verdict on alderman

THE REFUSAL of the City of London's Court of Lord Mayor and Aldermen to approve the election of solicitor Mr. Donald Silk as Alderman for Aldersgate under a 600-year-old custom was upheld in the High Court yesterday.

An application by Mr. Silk, 51, of The Postern, Wood Street, Barbican, former husband of Wimbledon doubles champion Angela Buxton, for orders quashing the refusal and banning the Lord Mayor from calling a new election was dismissed by Lord Widgery, the Lord Chief Justice, and Mr. Justice Park.

Mr. Silk, who has been given no reason for the City's refusal to approve his election by 206 votes to 195, was given a stay of execution for 21 days for consideration of a possible appeal. He was ordered to pay the City's costs for the two-day hearing in the Queen's Bench Divisional Court.

Lord Widgery said that under the ancient custom the election of aldermen in the City of London was a two-stage operation. First, candidates put themselves forward to the electorate in the normal way and, second, the successful candidate submitted himself to the Court of Lord Mayor and Aldermen for their approbation.

"I have come to the conclusion this is a perfectly valid custom," said Lord Widgery.

"When I look back upon this case as a whole and ask myself how I feel about the retention of a somewhat undemocratic arrangement, my personal [feel]ings, I confess, are not tha[t they] are causing any great dis[tress] or difficulties.

"I think that the pe[ople, and] public opinion, regard the [City] of London as being somet[hing] special and I don't think [they] are offended by what is hap[pen]ing in the City of Lon[don] although it might cause [resent]ment elsewhere," said [Lord] Widgery.

The questions raised in [this] case had been dealt with [by] the House of Lords in 18[..] [in] a "mammoth" report, said [Lord] Widgery. There were no [valid] grounds for holding that [the] ancient custom had [been] abolished by the introduc[tion] of the Representation of [the] People Act of 1949 or, by i[nfer]ence, by any other legisla[tion.]

Mr. Silk said after the h[ear]ing that he felt justified [in] taking the matter further.

Prudential hearing ends

Financial Times Reporters

THE PRUDENTIAL Assura[nce] action in the High Court aga[inst] Newman Industries ended [yes]terday after a hearing las[ting] seven months. Judgment [is] expected early next year.

The case concerned the [sale] in 1975 of a package of as[sets] and liabilities by Thomas P[...] and Gladstone China [to] Newman, a company in wh[ich] the Prudential has a small sta[ke.]

Academics attack protectionism

BY OUR ECONOMICS CORRESPONDENT

THE increasingly vocal arguments for protection of British industry are strongly criticised in a study published today by the Institute of Economic Affairs, the independent research body which argues for market-based solutions to economic problems.

Mr. David Greenaway, of University College at Buckingham, and Mr. Christopher Milner, of Loughborough University, argue that protecting sectional interests from market adjustment forces will only prevent the economy from reaping the often more hidden benefits of allowing resources to shift to employments with comparative advantage.

The authors examine tariffs as a way to correct market failures, paying particular attention to the infant industry argument. They conclude that although market failure may sometimes provide a case for some kind of Government intervention, such as a tax and subsidy policy, "trade restriction creates further distortions and further costs."

The study examines the proposals of the Cambridge Economic Policy Group headed by Mr. Wynne Godley.

Protectionism Again . . . ?. David Greenaway and Christopher Milner. Hobart Paper 84. £1.50. Institute of Economic Affairs, 2, Lord North Street, London, SW1P 3LB.

Social services council will fight closure move

BY ERIC SHORT

THE PERSONAL Social Services Council—the Government-appointed watchdog committee covering local authority social services — yesterday decided to fight the Government's decision to wind it up at the end of the financial year.

The campaign, however, will take the form of persuading the Government to change its mind, since it felt the decision was taken without a proper understanding of the council's function.

Set up by the previous T[ory] Government following [the] Seebohm Report on the orga[ni]sation of local authority soc[ial] services, the Council is t[he] central body for co-ordinati[ng] policy.

But in the reorganisation [of] the social security system, M[r.] Patrick Jenkin, Social Servic[es] Secretary last week announce[d] the end of the council as it [no] longer had an essential role [to] play.

Full inquiry into U.S. water reactor likely

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT is expected to confirm within a few days its intention to hold a public inquiry into Britain's first nuclear station to use the controversial U.S. pressurised water reactor.

Confirmation will follow the Government's awaited statement to Parliament of its plan to proceed with the demonstration 1,100 MW PWR based on the Westinghouse Electric design.

This demonstration was approved in principle by the Labour Government nearly two years ago.

But the public inquiry into the siting plans of the Central Electricity Generating Board for its first PWR is unlikely to take place before 1982, since the station design will not be ready before the latter half of 1981.

It is expected to be preceded by a public inquiry in Ireland next summer, into plans to build a 600 MW nuclear station at Carnsore Point, in south-west Ireland. The reactor in this case is also likely to be a Westinghouse design of PWR.

Privately, both electricity companies take the view the national necessity for nuclear energy must be seen clearly as a government decision.

Mr. David Howell, Energy Secretary, has received a letter from the Friends of the Earth in which it complains the Government has not made available "nearly enough information to show that the PWR's generic safety problems have been resolved or even fully appreciated."

Heseltine in land plea for industry

By Elaine Williams

LOCAL AUTHORITIES were urged to try harder to cater for the needs of industry and commerce when deciding on future land use by Mr. Michael Heseltine, Environment Secretary, yesterday.

Although existing approved plans provide enough land for the needs of industry, Mr. Heseltine said: "Too often, the industrial sites are in the wrong place, or are the wrong size."

At the Town and Country Planning Association's national conference in London, he said many jobs had been unnecessarily and wrongly planned out out of existence, with inner city areas particularly badly affected.

He reiterated his intention to simplify the country's planning procedures mainly to speed up planning processes.

He suggested that Britain could save perhaps £10m each year if small private planning application procedures were relaxed.

Public sector land must be used more effectively, he said. The Housing Corporation has been asked to dispose of its land bank to the private sector and since April the Property Services Agency has disposed of 1,000 acres.

● Mr. Tom Caulcott, secretary of the Association of Metropolitan Authorities, also speaking at the conference, described the policy of treating all aspects of expenditure as a whole as "economic nonsense."

He said that some capital expenditure was necessary itself to regenerate economic growth.

Typical Brueghel scene brings £170,000

A TYPICAL scene by Pieter Brueghel the Younger, Return From a Village Fair, sold for £170,000, plus the 11.5 per cent buyer's premium and VAT, at a Sotheby's auction of Old Master paintings yesterday. The buyer was the the London dealer, Mrs. Bear.

All told the sale brought £1,919,900, with a fair 16 per cent bought in. Another London dealer, Wengraf, acquired Dutch Shipping in a Calm by Willem van de Velde for £120,000 and a landscape by Jan van Goyen for £63,000.

Other high prices were £100,000 from the Belgian dealer Magnus for A Garland of Flowers and Fruit with the Virgin and Child, by Jan Brueghel I and Hendrik van Balen; £66,000 from a private Spanish buyer for a pair, Summer and Winter, by Peter Schoubroeck; and £62,000 for A Lady Listening to Music, by Jacob Ochtervelt.

An auction devoted to musical books and manuscripts totalled £50,951. Otho Haas, the London dealer, bought an autograph sketch leaf by Mozart for £12,000, while one of Beethoven's sold for £7,500.

Christie's sold jewels for £362,165.

Edmund Penning-Rowsell writes: Such has been the relative profusion of single bottles of ancient Lafite vintages passing through the salerooms that their appeal appears to have been reduced. So although a New York wine merchant has recently been advertising a bottle of the 1803 at $22,000, yesterday in Sotheby's "finest and rarest" sale another bottle of the same vintage, from a French restaurant, was bought in at $3,000. And a bottle of the 1822, which at Christie's in September had fetched £3,500, now, at £1,500, failed to reach the reserve.

The best price paid was £500 for a bottle of the rare 1861, which went to an American buyer. Then a bottle of 1857 Sillery dry champagne that made 23s 4d in the Rosebery sale at Christie's in 1967 went for £58.

A saleroom record for a corkscrew was achieved—£1,050 for a French island specimen circa 1760.

SALEROOM

BY ANTONY THORNCROFT

BMW sponsors women's tennis

THE 1980 women's international tennis tournament at Eastbourne will be sponsored by BMW (GB), the UK subsidiary of the BMW car and motor-cycle company. This £65,000 event, part of the Colgate series, will take place at Devonshire Park, Eastbourne, from June 16 to 21.

STOCK EXCHANGE RULES FOR THIRD-TIER MARKET

New status move for unlisted companies

BY CHRISTINE MOIR

DETAILED RULES for a third-tier market in company shares, covering unlisted companies, were published by the Stock Exchange yesterday.

They are the first attempt at a framework of regulations for companies in which there is active public interest, but which have not applied for a full-scale quotation in the market.

The rules are in the form of an exposure draft similar to those published by the accountancy bodies. Comments on them will be invited by the end of February from Government, institutions, the Confederation of British Industries, issuing houses and other interested bodies.

These comments will then be incorporated in a final draft which may be ready by spring, with the Stock Exchange managing the first formally regulated market in unlisted companies by summer.

As they now stand, the Stock Exchange proposes a set of 10 basic rules which will give smaller companies entry to the full facilities of the market, including money-raising powers and the right to use paper in takeovers, at a much cheaper cost than a full quotation.

The proposed rules are:

1 The company must normally have been trading for at least three years, and the trading results should support the expected market capitalisation.

2 It is expected that phasings will be the normal method of marketing securities, subject to an overall limit of £1.5m in the case of equity shares or securities convertible into equity. This limit may be varied from time to time at the discretion of the committee.

3 Not less than 25 per cent of the amount placed should be offered to the jobbers to ensure a wider spread of shares to the public.

4 Offers for sale will be permitted.

5 A new pink issue card must be inserted in the Extel Unlisted Company Services. This must contain details of borrowings and a description of the business including a profit and loss account for the preceding three years. Listed companies must produce a five-year record.

6 Normally 15 per cent of equity capital must be in public hands when dealings start. Listed companies must be 25 per cent publicly-owned.

7 It is not considered appropriate to procure extensive publicity in connection with the beginning of dealings.

8 There will be no initial charges on entry, but a "flat-rate" annual charge of £1,000 will be payable.

9 All contract notes must state that the security is unlisted.

10 Protection will be available under the Stock Exchange's Compensation Fund on the same terms as for investors in listed securities.

The Stock Exchange began two years ago to test informally the volume of potential business in what will now be called the Unlisted Securities Market. It pointed out to companies which did not have a Stock Exchange listing that their shares could be traded on the market under Rule 163(2) if the Stock Exchange's quotations department gave specific permission for each deal.

The response was substantial. Today nearly 300 companies take advantage of the 163(2) rule. Of these more than 10 per cent are actively trading.

This degree of interest led the Stock Exchange to believe that the market needed some definite form of regulation; under Rule 163(2) the companies are not regulated. Only individual transactions are vetted for fairness.

The exposure draft, produced by Mr. Charles Eglington, chairman of the quotations committee and a partner of Akroyd and Smithers, jobbers, is the outcome of that belief.

The old 163(20) rule will be maintained for very small companies in which shares are only infrequently traded, but other companies will be encouraged to enter the Unlisted Securities market as a transitional stage to taking up a full listing.

In fact, discreet pressure will be put on companies using the 163(2) market to move up to Unlisted Securities through new restraints on dealings under 163(2). The move up would still be voluntary.

The Stock Exchange's purpose in creating the new market is to encourage growth of small companies. It believes its positive role in this growth involves opening its capital-raising facilities to smaller companies not yet ready for a full quotation.

Ease of capital-raising is closely linked to marketability of the company's securities. That in turn depends on market confidence in those securities.

At present 163 (2) companies are traded on a simple caveat emptor basis, yet there is a danger that, in the minds of some investors, the mere fact that they are traded on the Stock Exchange involves some sort of guarantee.

Now there will be. Companies in the Unlisted Securities market will still be clearly marked as "unlisted," and will thereby continue to carry some form of "health warning." But the companies must sign a formal agreement with the Stock Exchange to abide by i[ts] rules.

The Stock Exchange will re[view] the company's track record an[d] prospects to a degree, eve[n] though it will not demand th[e] full five-year record required [of] fully-quoted companies.

It will also review Unlisted Securities companies every yea[r] and exert strong pressure o[n] them to apply for full listing within a matter of years, an[d] certainly when and if their mar[ket] capitalisation reaches £10m.

The opposite route—from ful[l] quotation to the Unlisted Securities market—will normally be prohibited.

The transitional route to full quotation will be both cheaper and simpler than for companies seeking a listing from scratch.

In other words, companies will be encouraged to spend a couple of years in the Unlisted Securities market before moving to the to ptier. At that stage they will not be required to produce another auditors' report covering the five-year period.

The new market should be of particular interest to the Provincial branches of the Stock Exchange, the Council believes.

It intends to encourage Provincial member firms to bring local companies to the Provincial branches where, it is hoped, local jobbers will be the main market-makers.

Most Shell terminals operating as normal

BY NICK GARNETT, LABOUR STAFF

THREE-QUARTERS of Shell's terminals were operating normally last night after more tanker drivers decided to return to work.

Parts of Scotland were still suffering supply difficulties with strikes at Grangemouth, Granton and Ardrossen terminals. Drivers and gantry workers at Shellhaven were also out.

Of the original 14 terminals where drivers had their pay suspended for not co-operating with contract labour, seven were operating normally.

Those terminals are Haverford West, Teesport, Avonmouth, Silvertown, Northfleet, Hamble and Reading.

Workers at 34 of the company's 45 main terminals were back at work.

Staff drivers at terminals that have returned to normal working are co-operating fully with *contract labour, including the* loading of contract tanker lorries.

Officials of the Transport and General Workers' Union were negotiating with the company last night on the issue of contract labour.

Mr. Jack Ashwell, union national secretary for commercial transport, said that before the talks he would still be pressing for the issue to be taken to arbitration.

If the negotiations went well, Mr. Ashwell indicated that there might be further discussions on pay last night.

Shell's drivers have rejected *a pay offer of 18 per cent on* the basic rate, 2 per cent for improved allowances and a further £150 lump sum, making the proposals worth about 22-23 per cent in total.

Similar offers have been rejected by drivers at other oil companies and an overtime ban and work-to-rule have been imposed at Esso.

Hugh Routledge

Gloomy outlook . . . union representatives from the Meccano plant outside the Industry Department yesterday

Chrysler deal on output

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WORKERS AT Chrysler UK's Ryton plant, Coventry, yesterday accepted a productivity deal which could yield additional earnings of up to £8.00 a week.

The 2,000 employees, who assemble the Alpine model, have agreed changes in working practices proposed by a *joint trade union management* study.

The study, to find ways of raising productivity, was set up to end the recent 14-week strike by Ryton workers. Management refused to make concessions on its original 5½ per cent pay offer, insisting that higher wages had to be earned through improved output.

The 3,100 workers at the Stoke engine plant, Coventry, are expected to approve similar productivity proposals at a meeting next week.

Stoke, which supplies engines and components for the Avenger and Sunbeam models, assembled at Linwood, Scotland, staged a 15-week stoppage in protest at the company's pay offer.

Mr. George Turnbull, chairman of Chrysler UK, which is owned by PSA Peugot-Citroen, wants a 25 per cent productivity improvement in the company.

At Linwood, in spite of ending the night shift and making about 1,250 workers redundant, the company hopes to maintain output.

Chrysler UK lost £17.4m in the first half of this year. It is heading for a total deficit *approaching £40m.*

Mr. Turnbull, whose target is to break even by the end of next year, has warned workers that without a dramatic improvement in productivity it will be difficult to persuade PSA to commit new investment.

TUC to outline policy on homeworkers

BY GARETH GRIFFITHS, LABOUR STAFF

THE TUC is to send a circular to unions outlining its policy on homeworkers in the light of what many union officials regard as a change in Government policy.

The Women's Advisory committee of the TUC will ask unions in the circular to press the Government to retain the *Department of Employment* Advisory Committee and the Home Working unit. It also plans to remind unions to seek to include in agreements the terms and conditions of employment of homeworkers.

A Department of Employment advisory committee on homeworking, with TUC and CBI representatives, set up in 1978, has not met since January. Its tasks were to monitor progress in removing discrimination against an estimated 150,000 homeworkers and to receive reports from a homeworking unit within the Wages Council Inspectorate.

Two meetings of the Advisory Committee were held in October and January *but since July* the future of the committee has looked in severe doubt.

Mr. James Prior, Employment Secretary, then told Mr. Len Murray, TUC general secretary, no decision had been taken.

The TUC Women's Advisory Committee is worried the likely Department of Employment decision will mean even less information on homeworking pay and conditions.

The main cause of union contention was a Department press statement on August 21 outlining the results of a survey on homeworkers' pay in Lambeth, Southwark and Wandsworth in London and Walsall in the Midlands. No report was issued *but the press release* said no homeworkers were paid less than the legal minimum wage

Unions concerned with homeworking regarded the findings with misgivings.

The Department has partly endorsed the union attitude to the wage inspectorate's report. Lord Gowrie, Employment Minister of State has said "because of the requirement in those areas (Lambeth, Southwark, Wandsworth and Walsall) for a very high standard of workmanship, rates of pay are perhaps higher than in some other areas."

Unions concerned with homeworkers in the clothing industry, the National Union of Tailors and Garment Workers, the National Union of Hosiery and Knitwear Workers and the General and Municipal Workers' Union believe the main thrust for improving conditions must be a legal one rather than from collective bargaining because of the unorganised nature of the homeworking job market.

Council manning down

BY ELAINE WILLIAMS

THE FIRST signs that local authorities are beginning to heed the Government's call to cut council spending by reducing staff came yesterday with the announcement of a small decline in the quarterly local-government manpower figures.

The latest Joint Manpower Watch survey, carried out by the Government and local authorities, shows that councils employed an equivalent of 2.09m full-time workers in the period June to December. That represents a seasonally adjusted fall of 0.4 per cent, the first drop since December, 1977.

Although manpower savings in local authorities still do not match those in central government, which between July and October fell by 1.58 per cent (seasonally adjusted), the Department of the Environment hopes that the latest figures might be the start of a downward trend.

Last September's figures, which exclude 5,884 full-time equivalent employees engaged under the Government's Special Temporary Employment Programme, show an unadjusted decrease of 11,871 full-time-equivalent employees compared with June. Seasonal adjustment suggests an underlying decrease of some 7,300 full-time-equivalent employees.

Mr. Michael Heseltine, Environment Secretary, has persistently called for a reduction in local authority manpower levels. At the end of September he announced that because of increasing manning, he wanted councils to publish individual manpower figures each quarter.

Participation 'astonishingly low'

BY OUR LABOUR CORRESPONDENT

AN "astonishingly low" amount of involvement in decision making at work is revealed in a study published by the Anglo-German Foundation.

Although the field work was confined to 14 companies in the metal working, banking and insurance sectors the authors suggest that there is evidence that their results are typical of the situation in middle-sized organisations in the manufacturing and service sector of *British* industry.

The report goes on to conclude, however, that there is little evidence that people want a radically different degree of influence or control over decisions.

"While people want more say over personal decisions close to their daily job than over the more distant goal and policy decisions, even the demand for influence over personal decisions is fairly moderate. Nevertheless, the gap between actual and desired participation shows that there is scope for substantial improvement."

The report notes that while *directors are widely regarded* as having an "extremely high level of influence" over plant decisions, this is contradicted by the facts.

"Boards do not concern themselves with the majority of plant level decisions in our sample of companies. This kind of mistaken perception is important, since it is likely to affect demands for bored level representation; and is almost certainly reflected in the current debate on industrial democracy."

In addition to their study of 14 companies, the authors carried out a national random household survey which, they say, confirmed the results of *the examination of companies.* A question on whether there should be worker representation on boards of large companies showed 72 per cent of those interviewed in favour.

Open-cast meeting

CIVIL ENGINEERING contractors met yesterday to discuss the one-day strikes on open cast coal sites and decided to reconvene on Monday.

The contractors' open-cast coal committee has been discussing possible improvements in the conditions allowance for employees working on National Coal *Board sites in the light of the* miners settlement.

The fourth one day strike each of which costs more than 40,000 tonnes in lost production, was mounted yesterday.

Two-day policy protests planned

BY OUR LABOUR EDITOR

TUC LEADERS yesterday laid plans for two days of official protest against the Government's economic and industrial relations policies.

A march and lobby in London has been provisionally fixed for Sunday, March 9, and a "day of action" on Wednesday on May 14.

It is not yet clear whether the TUC will be asking unions to *make the second* demonstration a one-day national strike, or only short walk-outs.

Plans considered yesterday by the TUC economic committee will be put to the general council for further decision on how the campaign is to develop. So far the TUC has adopted a fairly low profile, confining its opposition to a propaganda campaign and briefing of trade unions on Government policy.

Publication of the proposed industrial relations legislation, the Employment Bill, last week is expected to act as a further spur to the protests, which were sanctioned by the Trades Union Congress last autumn.

Meanwhile, the TUC is reviewing its relationship with the Government, while continuing to sit down with Ministers in bodies like the National Economic Development Council.

There was some discussion yesterday of the need for further action to stem the flood of motor car imports, and the TUC noted with alarm the November import figure of 60 per cent.

A statement called for the modernisation of BL, to stop Britain becoming "completely dependent on the investment decisions of the foreign-owned transnational corporations, Ford, General Motors and Talbot."

Hospital facing further delay

THE OPENING of the £10m district hospital at Bodelwyddan, near Rhyl—already running more than three years behind schedule — could be delayed yet again.

Clwyd area health authority have been told by the Welsh Office that because of public spending cutbacks they will not be allowed to employ more men to maintain the 400 bed hospital.

UK NEWS—PARLIAMENT and POLITICS

Gilmour calls for clean slate on Rhodesia

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

*ERE CAN be no questic Britain taking on an open-ended responsibility in Rhodesia, Sir Ian Gilmour, the Deputy Foreign Secretary, told the Commons last night. He anticipated that the Governor would only have to remain there for a matter of weeks.

Sir Ian was speaking in the second reading of the Zimbabwe Bill which makes the final provisions for Rhodesian independence after the holding of new elections.

Although the Opposition had put down some amendments to the Bill, Mr. Peter Shore, the Shadow Foreign Secretary, made a conciliatory speech. He emphasised that there had been a very wide area of agreement between the Government and the Opposition since the Lusaka conference.

Some Labour backbenchers, however, were more hostile. Mr. David Winnick (L., Walsall N.) put down an amendment opposing a second reading until a ceasefire had been agreed by all parties involved in the fighting. But it was ruled that his amendment would not be voted upon.

Sir Ian had no doubt that the conditions for independence had been fulfilled.

"The basic causes of the conflict in Rhodesia have been removed," he said. "With the basic political issues solved there is no reason for delay."

With the passage of the Bill, the way ahead to independence would be clearly mapped out.

"The Government has no illusion about the difficulties which lie along the road," Sir Ian went on. "The Governor's task is formidable. It is to organise fair elections while supervising a ceasefire."

His ability to achieve the aims set out would rest on the consent and co-operation of the parties and pepole in Rhodesia.

"In the next weeks we shall, I am sure, be able to bring Rhodesia to legal independence in conditions which will enjoy wide international support," added Sir Ian.

The risks should be understood in the context of the alternatives. The Government did not believe that a settlement could be achieved without British involvement to supervise elections.

"Had the uncertainty of the past few months been allowed to drag on indefinitely with continuing infiltration over the border and increasing retaliation against Rhodesia's neighbours, all prospect of a settlement would have been lost," Sir Ian emphasised.

"There will not be another opportunity if we let this one slip. We hope that the final details of the implementation of a ceasefire will be agreed very shortly."

The prospect of legal independence and international acceptance was the most powerful incentive for all parties in Rhodesia to observe the Lancaster House agreement.

The independence proposals contained in the Bill would [...] the prize.

The Bill does not create a[...] new citizens of the UK a[...] colonies, nor will it lead to a[...] significant new immigrati[...] commitment, Sir Ian stressed.

He explained that the B[...] takes powers to ensure t[...] equitable satisfaction [...] creditors who have not receive[...] interest on and redemption [...] Rhodesian stock over the pa[...] 14 years.

Therefore, a clause was bei[...] included enabling Governme[...] orders to be made regulati[...] claims against assets of t[...] Government of Zimbabwe in t[...] UK.

No support for SA rugby tours

THE Government reiterated in the Commons yesterday proposed rugby union tour to South Africa.

Mr. Hector Munro, Sports Minister, told MPs that the rugby unions were fully aware of the Government's position. "I hope that anyone responsible for staging such a tour is aware of all the possible implications."

Mr. Tam Dalyell (Lab., W. Lothian) had asked if such tours would affect British participation in the Commonwealth and Olympic games.

Mr. Munro replied that the rugby unions were not affiliated to the British Olympic Association. Any decision on participation was in the hands of the International Olympic Committee.

The opposition spokesman on sport, Mr. Denis Howell, welcomed the "strong, sensible, intelligent and civilised stand" by the Government.

But Mr. Nicholas Winterton (C., Macclesfield) said that tours could educate the people of South Africa and speed up the processes already taking place there.

Green pound 'blackmail' failed, Walker says

BY IVOR OWEN

FRANCE RESORTED to totally unsuccessful "blackmail" before Britain secured the agreement of the European Economic Community Council of Agriculture Ministers to a 5 per cent devaluation of the "green pound," Mr. Peter Walker, the Agriculture Minister, told the Commons yesterday.

To cheers from the Tory benches, he described how he had fended off French attempts to block the change in the "green pound" until they were given major concessions on wine and major agreement on sheep meat.

But the hard bargaining ended, Mr. Walker reported, with the Council adopting a wine package which was of net benefit to Britain and with France getting "no concession of any description" on sheep meat.

"After starting the blackmail technique the French finished the day having achieved absolutely nothing from it," he stressed.

Mr. Walker also gave a hint that France could be on the point of lifting its illegal ban on British lamb exports.

He explained that in the negotiations on the devaluation of the "green" pound—the artificial exchange rate used to calculate tariffs and subsidies on the EEC farm trade—France had found herself totally isolated.

Like Britain, the other seven members of the EEC had objected strongly to the French attitude and he suggested that this reflected the fact that the French were suffering from finding themselves in an illegal position.

It was difficult for France, while claiming to be "communitaire," to act illegally. It seemed that the French Government now recognised that the illegal action was against its own national interest.

Mr. Roy Mason, Labour Shadow Agriculture Minister, argued that Mr. Walker had found himself exposed to blackmailing tactics as a direct result of the Government's economic policies.

These had forced up the rate of inflation and, with the 17 per cent Minimum Lending Rate, had exacerbated the difficulties of farmers to such an extent that the Government had been left with no alternative but to seek to provide them with additional income through a urther devaluation of the "green" pound.

Mr. Mason calculated that the devaluations of the "green" pound over the last six months had increased the food price index by at least 2 per cent and added 50p a week to the average family's food bill.

Backed by Labour cheers, Mr. Mason claimed that housewives now realised that they had been "conned" by the Conservatives at the General Election and this was reflected in the latest opinion poll showing a 9 per cent swing among women voters against the Government.

Mr. Walker reminded Mr. Mason that one reason why it had been necessary to increase farmers' incomes was the £220m wage award gained by farmworkers—a larger increase than under any Labour Government.

As for the effect of the "green" pound devaluation on food prices, he recalled that his Labour predecessor, Mr. John Silkin, had stated that a 5 per cent reduction was likely to increase the Retail Price Index by no more than one-fifth of 1 per cent.

By-election test for Tories

By Philip Rawstorne

BY-ELECTION voters in the Tory stronghold of South West Hertfordshire will give their verdict today on the first seven months of Mrs. Margaret Thatcher's Government.

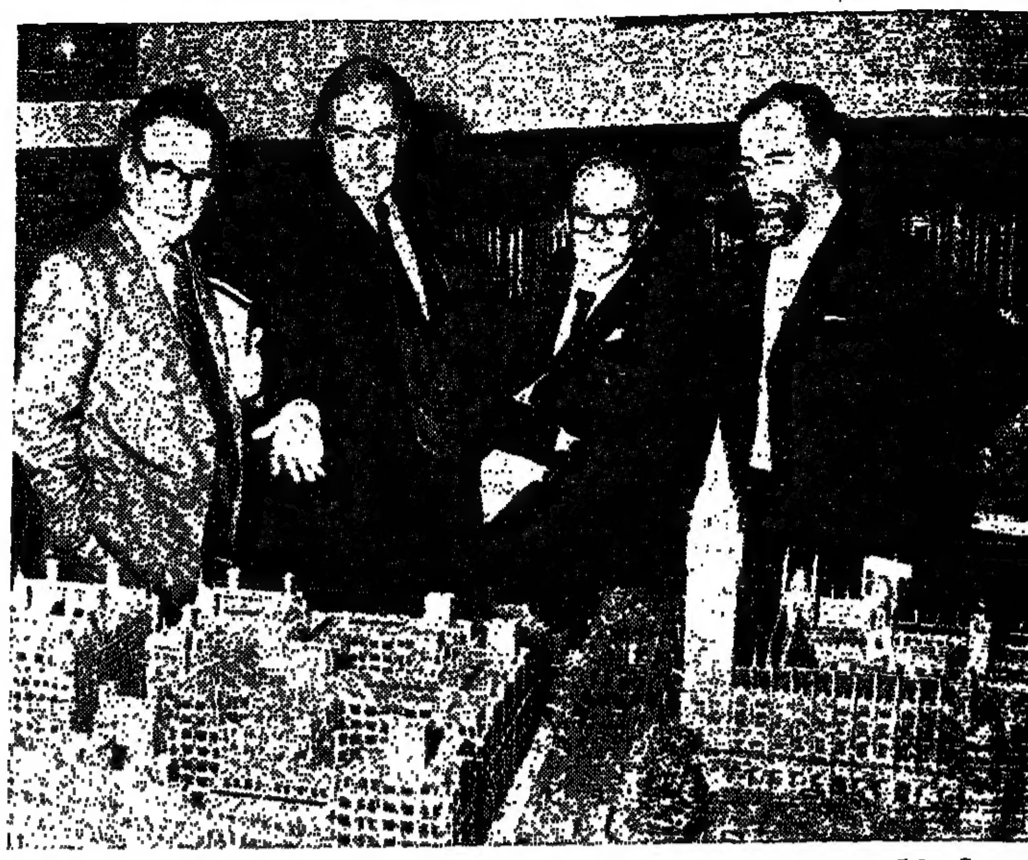
With a majority of over 16,000 at the general election in May, the Government appears in little danger of defeat.

But the result in this essentially middle-class constituency should reflect the attitude to higher mortgages, continued inflation, spending cuts, and the prospect of higher rates and commuter fares.

If the Tory majority falls to around 5,000 it is bound to fuel anxieties among some Tory MPs about the course of the Governments's economic policy.

The latest opinion poll, conducted for the London Evening Standard by MORI, suggested yesterday that middle-class support for the Government remained firm.

But the poll registered an overall 6 per cent swing to Labour since the general election and showed that women voters in particular were deserting Mrs. Thatcher.



EXPANDED WESTMINSTER: Mr. Walter Harrison (left) and Mr. Norman St. John Stevas inspect the model of the proposed new Parliamentary building in Bridge St. Architects Sir Hugh Casson and Mr. David Ramsay look on.

Tax aid for mortgage holders

MORTGAGE holders who face hardship because of the interest rate increase should contact tax offices immediately so that tax codes could be adjusted as a matter of urgency, Mr. Peter Rees, Treasury Minister, told the Commons yesterday.

Mr. Rees said it was not possible to adjust all codes immediately because of the work burden. "However, if any taxpayer is caused hardship he should write to his tax office giving full information of the interest actually payable by him for the year, and his tax code will then be adjusted as a matter of urgency."

● HEATHROW TREMINAL: The Government will decide soon whether a fourth terminal should be built at Heathrow airport, Lord Trefgarne, Government Trade spokesman told the Lords yesterday. If given the go-ahead, the terminal could be ready in the mid-1980s.

● AMENDMENT: Business patents forming part of an anti-competitive practice against the public interest will be restricted if a Government amendment seeking these powers is accepted in the Competition Bill's committee stage tonight.

● COMPUTER QUERY: A £14m programme to buy new computers for the National Health Service, was closely questioned by MPs yesterday on being told that only one company, International Computers Limited (ICL) had been asked to tender. The cmoputers cost £1m each and will replace earlier models.

● NI REVIEW: Mr. Patrick Jenkin, Social Services Secretary, announced last night that he proposes to review the National Insurance position of the self employed. He hopes to make an announcement soon on the form of the review.

● WILSON HINT: The power of pension funds should be subject to greater control, Sir Harold Wilson suggested yesterday. He hinted that his committee of inquiry into City institutions, due to report early next year, might recommend changes in the funds' investment policies.

Post Office will end worker directorships

BY PHILIP RAWSTORNE

THE POST OFFICE'S two-year experiment in industrial democracy is to be scrapped, Sir Keith Joseph, Industry Secretary, announced in the Commons yesterday.

Board appointments of seven trade unionists and two consumer representatives will lapse at the end of the year, he told MPs.

The decision was angrily condemned by Mr. John Silkin, Labour's Industry spokesman, as "an attack upon the trade union movement and industrial relations."

But Sir Keith said: "It is the Government's policy to encourage increased involvement of employees in decisions affecting their interests. It is not for the Government to lay down how this should be achieved."

The Post Office board had been unable to agree on continuing the experiment, he said. "Broadly, the unions are in favour of a continuation, while management and a majority of the independent members of the board are not."

Sir William Barlow, Post Office chairman, was consulting the unions and would make new proposals for close employee involvement in top-level Post Office decision-making, Sir Keith said.

"It is for the Post Office management and the unions to agree on the way forward," he told MPs.

Sir Keith said he would be ready to take any action to facilitate new arrangements. If agreement were reached within the next two months, this could include an Order to make permanent the statutory powers to make additional appointments to the Board.

Mr. Silkin contrasted the Government's attitude towards the Post Office experiment with its appeal for trade union representation on the NEB.

There had always been disagreement between the Post Office management and unions about the experiment, he declared.

The management had also objected from the start to consumer representatives.

Mr. Silkin challenged Sir Keith to publish a Warwick University report which, he said was "highly critical of the management attitude to this experiment throughout and extremely favourable to the continuation of this experiment."

Sir Keith retorted that the Post Office chairman had given his "enthusiastic agreement" to the experiment but there was a great deal of difference between trade union members serving on a Government agency like the NEB and a trading business like the Post Office.

New independent members would be appointed shortly to the PO Board and he would consider the question of consumer representatives.

Sir Derek Walker-Smith (C., Herts. E) suggested that the move appeared to be a retreat from the concept of employee participation.

Mr. Anthony Wedgwood Benn, former Labour Postmaster-General, warned there would be "very real disappointment and anger" at the decision.

Editorial comment, Page 18

Heseltine 'gets tough'

THE Environment Secretary told the Commons yesterday that he will get tough with rebel local authorities which "flagrantly and persistently ignore" Government requests for spending economies.

Mr. Michael Heseltine said: "I will be asking this House to give me powers to deal with those authorities which flagrantly and persistently ignore the Government's requpests for prudent and proper management of their affairs."

Mr. Peter Lloyd (C. Fareham) had asked what action he proposed to take against "rebel" authorities, such as the London Borough of Lambeth.

Mr. Robert Adley (C. Christchurch and Lymington) asked if Mr. Heseltine agreed that local ratepayers were the best people to point out what they considered to be the misdemeanours of their own local authorities.

Mr. Heseltine said the powers which he would be seeking in the forthcoming Local Government Bill would enable him to ensure that a wide range of information would be available about the performance of authorities.

Hospital closure warning

BY ERIC SHORT

DR. GERARD VAUGHAN, Health Minister, yesterday told health authorities that they must stick to proper consultation procedures when closing hospitals—even if the closure is temporary.

In answer to a Parliamentary question, Dr. Vaughan said that temporary closure of a hospital should not be a way of avoiding consultation.

He emphasised that when a substantial temporary closure had to be made without prior consultation, the authority concerned was still expected to consult afterwards if there was any danger of the closure becoming permanent.

If an Area Health Authority wished to close part or all of a hospital, or change its use, then it must get approval of the Regional Authority.

It must also consult local interests—such as general practitioners—and particularly the Community Health Council, the patient's watchdog. If the CHC objects, the proposal goes to the Social Services Secretary for a ruling.

But this consultation process is not obligatory for temporary closures. Because of the current economic situation and the need to keep within cash limits, authorities are temporarily closing wards, departments and even complete hospitals.

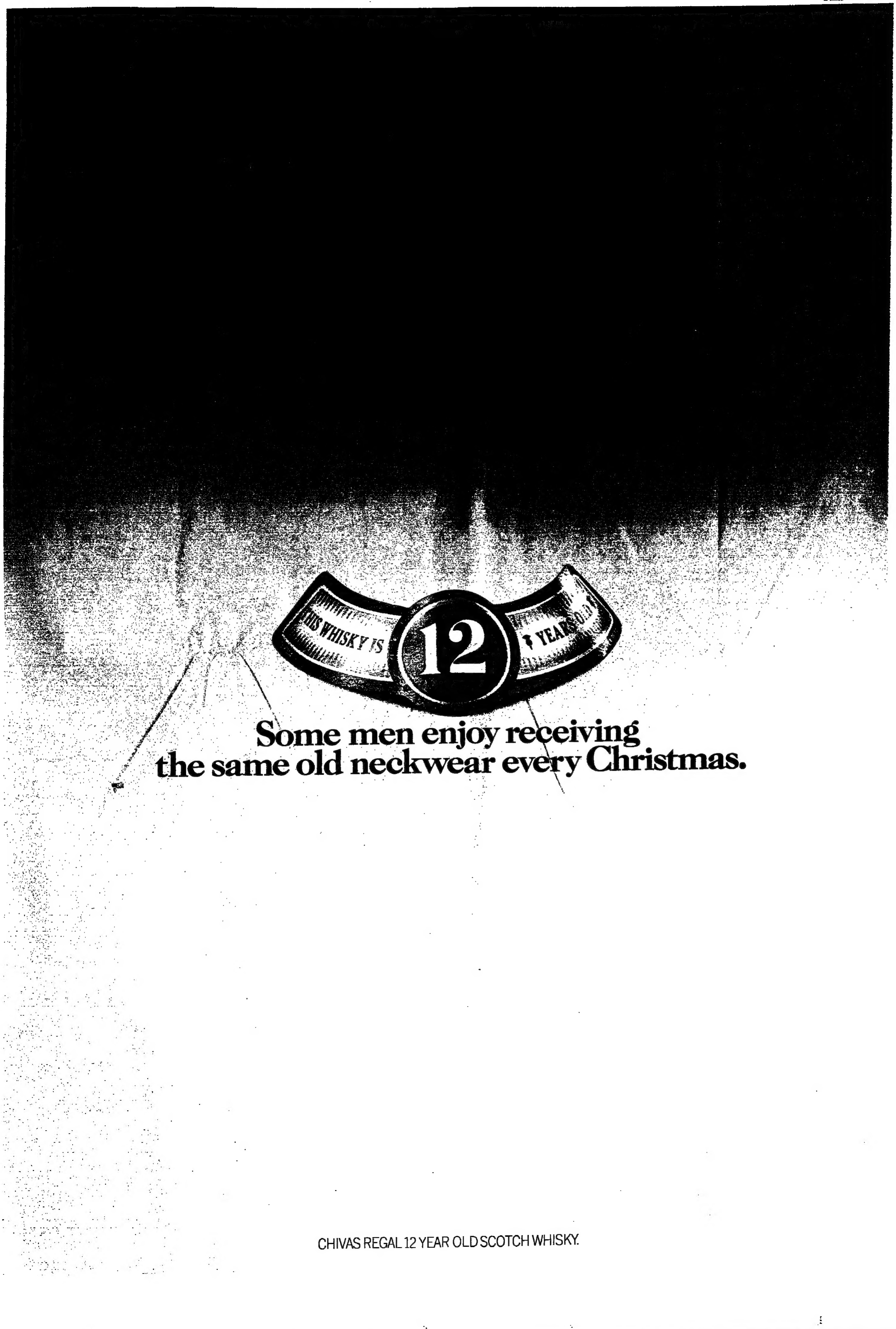
criticism, since there is no definition of "temporary."

The object of this Government reminder is that authorities should obey the spirit of consultation procedures.

Dr. Vaughan's comments come the day after the Government's consultation paper on the reorganisation of the National Health Service raised doubts over the longer term future of CHCs.

The paper, Patients First, published on Tuesday, suggested that under the proposed reorganisation, the new district authorities will be less remote from local services and more in touch with the needs of the community.

The need for separate consumer representation was thus less clear. The cost of CHCs next year would be £4m and the Government is seeking views on whether they should be retained.


12
Some men enjoy receiving
the same old neckwear every Christmas.
CHIVAS REGAL 12 YEAR OLD SCOTCH WHISKY.

JOBS COLUMN, APPOINTMENTS

Early worms turn • Business information head

BY MICHAEL DIXON

DELIGHTED by an unexpectedly large profit this year, the founder and owner of a compact company in the United States asked a management consultant what to do with the surplus money.

The consultant proposed that half of it should be distributed among the staff according to how each person's work was rated by his or her colleagues. Being democratic, and proud of his record results, the owner agreed to be included in the exercise.

He was rated only "fair" for marketing, because he was thought too prone to improvise rather than plan. He was also criticised for setting his fastidiously punctual staff a bad example by arriving late in the mornings. So he was awarded a bonus $3,000 short of the scheme's permitted maximum.

This disgruntled him somewhat. But Jim Kennedy, of the U.S. newsletter Consultants' News, says the company-owner has now decided the exercise was valuable all round. It will be repeated next year.

Expander

JOHN WILLIAMS, executive-recruiter at the Whitehead consultancy, seeks a general manager in London to head the business-publications division of a group owned in America. Mr. Williams may not name the employer and so guarantees to abide by any applicant's request not to be identified to his client until permission is given later.

The division employs towards 200 people in producing directories and other types of periodical business and financial publications. The newcomer will be responsible to the group's U.K. managing director for the running, and especially the profitable expansion, of these activities, both by the development of present products and by acquisition. Whoever gets the job will also have to take part with the heads of other divisions in setting up a joint data bank.

The main need here is demonstrable success in managing and expanding a profit-making organisation, employing a fair number of people. Expertness in marketing and sales-promotion, particularly by direct-mail, is also important. So is sound knowledge of the applications of computers in the business - information business.

Indeed, since the employer expects the division's activity to rely increasingly on visual display units and like newfangledom at the expense of good old paper, the recruit could well come from profit-responsible management in a computer service dealing with business information.

But John Wiliams is anxious that managers of the traditional types of publishing house in the field should not be deterred from applying for the job. Given the required managerial record and flair for business-development, they have a chance at least equal to that of any DP dandy. The preferred age range is 32 to 40.

The salary indicator is around £16,000. Perks include car. Inquiries to Mr. Williams at Whitehead Technical Services, 21 Wigmore Street, London W1H 9LA; telephone 01-580 0191; telex 27789.

Housewares

"A SENSE of humour is imperative," says Jim Fisher, of the Consulting Partners recruitment concern, about the next job. Whether that is entirely because the post is based in Hartlepool, I cannot be sure. Places east of the Pennines all look alike to a Lancastrian like myself.

The job is for a marketing director of the housewares division in the UK of the American private company, Aladdin Industries. Hartlepool is not the only outpost of the parent group, which is based in Nashville, Tennessee. It also has associate companies in the Middle East and Japan, not to mention Southend, which is the home of the group's precision plastics-moulding activities in Britain.

What the newcomer will be marketing from the housewares factory further north, are two main types of consumer goods. The first is heating and lighting products. The other is vacuum flasks. Turnover in these is £10m — about two-thirds in exports — and the division concerned employs 350 people.

Responsible to the division's executive director, the new marketing chief will have six people in immediate support. They are product group managers for each of the two main types of goods, a marketing services manager, an export sales manager, a national sales manager and a marketing analyst.

Preparing the yearly plan for marketing—with its allied defining of policies and procedures for pricing, promotion, sales, distribution and so on—will be one main task, of course. Another will be co-operating with the engineering and manufacturing sectors. A third will be keeping contact with major customers at home and abroad. Yet another will be developing the marketing organisation and its staff.

There will be new opportunities and products to be assessed and exploited, too. And the recruit will also have a hand in the division's general management.

Here I begin to see what Jim Fisher meant—anyone who can undertake that pile of responsibilities and still remain human, must certainly have a sense of humour.

It occurs to me that, by this particular criterion, the ideal candidates might well be Stanley Holloway's Mr. and Mrs. Ramsbottom who, when on holiday, complained: "There were no wrecks, nor nobody drowned; in fact, nothing to laugh at at all." But that was at Blackpool, not Hartlepool.

Besides, Mr. and Mrs. Ramsbottom evidently did not have university degrees, which Jim Fisher for some strange reason includes in the list of qualifications. Essential, however, is a record of successful selling at home and overseas which has led to successful product-management in a fast-moving consumer-goods business. Having to travel, the newcomer would be helped by fluency in major languages other than English. The preferred age would be 35 to 38.

Salary indicator is around £13,000. Car among perks. Inquiries to Mr. Fisher at 17-18 Old Bond Street, London W1X 3DA; telephone 01-499 6416, telex 265762 Copar G.

He says, by the way, that although the company did a bit of suffering four years ago, the new management brought in to restore health is well ahead of the originally scheduled recovery programme. "It is now looking to accelerate the pace of growth and development in the consumer products area."

Iron nerve

BUSINESS drive plus understanding of routine payroll procedures sems an unlikely combination. But consultant Cliff Dilloway is seeking it in a person to run and develop a computer-bureau specialising in payrolls, on behalf of an un-named client. He makes the usual guarantee to applicants reluctant to be identified.

Based in London, the bureau has to meet many tight deadlines for weekly payrolls. But as well as serving present customers, the recruit will have to gain new clients, not least by developing new services.

Mr. Dilloway (Highcroft, Gunhouse Lane, Bowbridge, Stroud, Gloucestershire GL5 2DB; Tel. 0453 6 3387) feels that commercial force is more important than consummate knowledge of computers, in which training can be provided.

No salary quoted. But my guess would be about £10,000 at the outset. Age is evidently of far less importance than is an iron nerve to withstand the never relenting deadlines.

VICE-PRESIDENT OF OPERATIONS

Challenging Position in U.A.E.

You may have been there before — now you can take a position of the highest operational responsibility as the Vice-President of Operations for Crescent Petroleum Company. From our office in Sharjah, U.A.E., you will exercise authority over all company operations and in particular production engineering and reservoir performance including drilling and other engineering activities.

This demanding and rewarding position will be filled by an imaginative and dedicated Engineer with a Bachelor of Science degree in Engineering, preferably completed a prior foreign assignment, and with 10 years experience in all phases of oil and gas operations. An offshore orientation in this experience would be an asset.

We offer excellent salaries, benefits, expatriot packages and family status.

If interested, please send your resume in confidence, stating present salary and desired salary, to:

Walter Hatcher,

Buttes Resources Company

P.O. Box 30275, Dallas, Texas 75230 U.S.A.

Employment agencies who choose to submit candidates should do so in writing and not by telephone. Your resume should show position desired, present salary, expected salary. After receiving a resume, should there be interest on our part, we will contact you. Thank you for your cooperation in this matter.

We are an equal opportunity employer M/F.

DIVISIONAL FINANCIAL CONTROLLER

C. £12,000 + car **Age 30 - 35** **City**

Our clients, part of a major diverse group, are a leading firm of international merchants and traders. Continued expansion has led to the requirement for a Controller to take overall responsibility for the finance and accounting functions (approximately 10 staff). He or she will work closely with the Divisional Managing Director and the Group Chief Accountant, with principal duties as follows:

- ★ Installation of a new computer and the subsequent development of relevant systems: management information requires particular attention.
- ★ Advising trading directors on the financial impact of their activities.
- ★ Arrangement of financing for the business.

Candidates must be qualified accountants with good technical ability and commercial acumen. Staff management experience and a knowledge of computerised systems are essential. There are good prospects of a divisional directorship and of a developing career elsewhere in the group.

Career plan Limited
PERSONNEL CONSULTANTS

Nigel Halsey
Career Plan
Chichester House
Chichester Rents
London WC2
Tel: 01-242 5775

DEPUTY FINANCE DIRECTOR

North London **c. £15,000**

This number one role for an executive accountant age mid-20s created by continued rapid growth of business of well established market leader in retail of household name products. Ideally you will have experience in the retail or wholesale trade, computerised financial accounting and management information services, a developed commercial sense, and proven man-management ability. Progressive salary and excellent benefits offered.

Call Ralph Scott FCCA, FCIS—Ref. 1728

FINANCE DIRECTOR

Middx/Herts Border **c. £12,000 plus car**

A highly successful private company in the electronic data processing industry, current turnover £5m is to appoint a finance director to join the top management team. This is a challenging role, which will provide the opportunity to make a significant contribution to the further growth and development of the companies activities.

Call Brian Cognet, ACCA—Ref. 1767

NEW BUSINESS DEVELOPMENT

London-Leicester-Leeds **£9,000 neg.**

Join in our expansion programme for the 80s. The marketing of our services to a wide range of client companies is challenging and unusual and provides career progression into consultancy with the prospect of an early management appointment. Commercial expertise and a Professional Qualification are essential.

Call Robert Miles—Ref. 9999

Personnel Resources Limited
LEADING SPECIALISTS IN FINANCIAL APPOINTMENTS
01-248 6321 Hillgate House, Old Bailey London EC4M 7HS

Treasury Operations

Do you have a flair for figures?
Do you like to be at the centre of the action?
Do you enjoy working under pressure?

If you have worked or are working in a bank, but feel that you could handle more of a challenge . . . you could be the person our Client is looking for.

The job title is **Treasury Assistant**, and the job is in the Cash Management and Banking section of the Treasury of a major Corporation. As the middle member of a team of three you will play a key role in the money market and cash management operations.

You will be responsible for putting together the daily cash forecast which is the basis of the cash management system, and for ensuring that all records associated with cash management and banking are properly maintained.

The job involves regular contact with many banks, the London Money Market, and local finance staff around the UK, and is a unique opportunity for someone interested in developing a career in the management of money.

The successful candidate will have the ability to think clearly and work accurately under pressure, together with either a banking qualification or knowledge of clearing bank procedures and basic bookkeeping.

Formal qualifications are less important for this job than ability, although 'O' level Mathematics is essential.

Salary range £6,000-£7,300

Please write in the first instance, enclosing details, to the address below. (Reference 894 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

This appointment is open equally to men and women.

Ronald Fairbairn, Everett's Recruitment,
10 Greycoat Place, London SW1P 1SE

EVERETT'S recruitment

Sales Executive

Construction Industry

Circa £10,000 + car

Our client, a major reputable international construction group, wishes to strengthen its sales and marketing force actively involved in seeking business opportunities for commercial and industrial developments at home and overseas.

It is envisaged that the person appointed, ideally 30/40 years of age, will already hold a similar post and be either technically or commercially qualified.

Responsibilities will be all embracing in the identification and successful promotion of engineering and construction opportunities so as to meet the Company's planned business objectives and expansion programme. Substantial contact with client representatives will therefore be a predominant feature of the job responsibilities.

Based in London, the position offers a negotiable salary, in the region of £10,000 per annum, together with a Company car and other fringe benefits associated with a large progressive organisation. Assistance with re-location expenses where applicable, will also be negotiated.

In the first instance applicants, male or female, should send personal and career details together with the names of any companies they do not wish to be considered by, to Ref MA252, Robert Marshall Advertising Limited, 44 Wellington Street, London, WC2E 7DJ.

Robert Marshall Advertising Limited

Senior Investment Analyst

POST OFFICE STAFF SUPERANNUATION FUND

The Post Office Staff Superannuation Fund is the largest pension fund in the United Kingdom with total assets valued at over £2,500 million and a net cash flow in excess of £400 million per annum.

The fund is seeking a Senior Investment Analyst for the UK equity market. The person selected will report to the Investment Manager (UK Discretionary Portfolio) and will be responsible for the fund's UK equity research heading a small team of analysts.

Applicants for this position should preferably have a degree and/or professional qualification with relevant experience in a stockbroker's office, pension fund, merchant bank or similar institution. Terms and conditions of employment are competitive.

Applications, with curriculum vitae, should be sent in strict confidence to:

J. Stubbs
Post Office Staff Superannuation Fund
47/51 King William Street, London EC4R 9DD

National Sales Director

SMURFIT LIMITED, one of Britain's largest and fastest growing packaging concerns, requires a UK Sales Director to be responsible for £100m. plus sales of packaging products.

The successful candidate should have an in-depth knowledge of the packaging industry in the UK and a proven track record in sales and marketing.

Salary will be commensurate with the position and location is open for discussion.

Applications should be sent in strictest confidence to:

B. R. Fairclough,
Director of Personnel Services,
Smurfit Limited,
P.O. Box 25,
Orford Lane,
Warrington WA2 7AD.

Chief Accountant

£12,500 + plus car

A major international pharmaceutical company are about to fill a senior appointment with excellent prospects of further advancement. To occupy the post of Chief Accountant within their UK operations, they seek a qualified accountant with at least five years' industrial experience together with direct experience of budgetary control, standard costing and capital investment appraisal.

The position is London based and carries responsibility to the Financial Director for the whole of the accounting function, including 100 staff at a number of locations. The right man or woman will be capable of making a positive contribution to the development of a complex, advanced technology business, with the aim of improving both short and long term profitability. He or she will be expected to demonstrate the potential required for promotion within a short space of time.

Starting salary will be negotiable in excess of £12,500 per annum and the total highly competitive remuneration package includes a company car and non-contributory pension.

Please write in strictest confidence, giving full details of qualifications and experience to Position Number ASC 7572, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

FOREIGN EXCHANGE ADVISER

We require someone to assist in the Corporate Calling Program, who is able to explain and advise on Foreign Exchange and Money Market Operations.

Ideal applicants will be in their late 20's to early 30's. They must have had experience in FX Trading in an International Bank, and have the personality and verbal skills to enable them to relate well to senior staff in our Corporate customer organisations.

Write, with career details and present earnings to:-

Geoff Furzland, Vice President,
The First National
Bank of Boston,
5, Cheapside, London EC2P 2DE.

1784

All applications will be treated in strictest confidence.

Financial Directors

East Anglia, Dorset, Home Counties **c £15,000 plus car**

Our clients, a young group of companies (turnover £30m), are seeking to appoint financial directors to their major subsidiaries. The Group place very high importance upon asset management and cash control and as such are looking for exceptional candidates. Applicants must be qualified accountants male/female aged 28-35. Ref. 1142/FT. Apply to R. P. Carpenter, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter
Selection Consultants

Overseas Customs Adviser

up to £10,000 +car

BL Limited wish to appoint an Overseas Customs Adviser based at their corporate headquarters in the west end of London.

You will be responsible for evaluating legislation, advising management as to its effect upon the company, negotiating with overseas Customs authorities and identifying the financial advantages arising from variable Customs tariffs/legislation.

Ideally aged 26-40, applicants, male or female, should have a comprehensive knowledge of Customs legislation and practice, the ability to interpret complex law plus well-developed negotiating skills. A foreign language capability would be advantageous.

The salary will be negotiable according to qualifications and experience and there is also the excellent range of company benefits you would associate with a large multi-national company.

Please write, giving details of your career to date, including salary progression, to:– **Miss Beryl Owen, Personnel Officer, BL Limited, 35/38 Portman Square, London W.1. Tel: 01-486 6000.**

BL Limited

UNDERWRITING AGENCY

General Manager

AGE 30 PLUS

SALARY CIRCA £14,000 PLUS BENEFITS

A Lloyd's underwriting agency embracing both Syndicate management and a Names Agency requires a General Manager. This appointment could well lead to a Directorship in the short term.

The task is to be responsible for all aspects of the agency management.

The selected applicant must have experience with an underwriting agency and ideally have a professional qualification. The office is situated out of London and it will be necessary for the applicant to be based there. The terms and conditions of service are excellent. Salary c. £14,000.

Please write or telephone
G. A. White, Managing Director. P.S. 13054

WHITE MAUD AND WARNER LTD.
Personnel Selection
4 Botolph Alley · London EC3R 8DR
Tel. 01 626 5161 · Telex 888387

TECHNO-COMMERCIAL

Director, 54, general manager; business development; marketing, sales, international engineering, contracting. Widely travelled, good French, some German and Russian. Seeks senior position, full or part-time, UK, abroad. Prefers travel.

Write Box A6982, Financial Times 10 Cannon Street, EC4P 4BY

Accounts Manager

City based. c.£ five figure

Our client, a large international financial concern is seeking a Chartered Accountant to manage the Accounts Department.

The person appointed will have had substantial previous experience in managing computerised accounts in a financial group environment including specific experience of foreign exchange transactions and Bank of England returns.

He or she must be able to demonstrate good experience in managing people successfully.

This is a challenging position which will provide the right person with opportunities for future career development.

Salary and benefits will be attractive to the right person.

Please write, including a full curriculum vitae and listing any companies to whom you do not wish your application forwarded to:

B. Wood (CRS/145), Lockyer, Bradshaw & Wilson Ltd.,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Reed Executive

The Country's most successful Recruitment Service

Chief Accountant

N. England **c £11,500 + car + benefits**

Part of a successful Public Group, the company has a well established business in the communications and leisure industries. The Chief Accountant, whilst demonstrating the ability to manage and motivate a staff of seventy in the development of management information and control systems, must possess wider business acumen and participate in the formulation of commercial and financial policy with emphasis on areas of expansion and diversification. Reporting to the General Manager and to the Regional Board, the position offers an attractive blend of modern accounting skills and senior line management responsibility. Relocation assistance is available.

Telephone: 0532 459181 (24 hr. service) quoting Ref: 3250/FT. Reed Executive Selection Limited, 24-26 Lands Lane, Leeds LS1 6LB.

The above vacancy is open to both male and female candidates.

London · Birmingham · Manchester · Leeds

Group Taxation Manager

DCL
The Distillers Company Limited

This large UK based Group of companies is engaged primarily in the production and worldwide marketing of Scotch whisky and other potable products.

A taxation specialist is required to succeed the Group Taxation Manager who is retiring. The person appointed will occupy a central role in the Group financial management team based in Edinburgh. Key tasks are to act as tax consultant and mediator for all UK companies in the Group; to advise Group management on the tax implications of investment and commercial decisions; and to develop the tax planning function in the light of existing and new legislation.

Candidates, probably aged over 35 and professionally qualified, must offer extensive corporate tax experience gained either in industry or in the profession and preferably including some experience of international taxation problems.

Salary negotiable around £15,000 p.a., company car, non-contributory pension and life assurance scheme, relocation assistance if appropriate.

Please write with brief details—in confidence—to

Mr. R. S. Temple, Director, The Distillers Company Limited, 12 Torphichen Street, Edinburgh EH3 8YT.

THE ROYAL BANK OF CANADA (LONDON) LIMITED

the new City-based merchant banking arm of the Royal Bank of Canada, is seeking to fill a new position

CHIEF ACCOUNTANT

Up to £14,000 + Housing Loan

This new post will have responsibility for all accounting, financial planning and *taxation matters and will report to the Managing Director.*

Selection criteria include a degree, an accounting qualification and comprehensive financial accounting and computer systems development experience, preferably in a financial institution.

This position offers excellent career prospects within the Royal Bank of Canada Group and there are valuable fringe benefits including house purchase *scheme.*

Please send a comprehensive career résumé, including salary history, quoting ref. 1022 to W. L. Tait

Touche Ross & Co. Management Consultants
4 London Wall Buildings,
London, EC2M 5UJ.
Tel: 01-588 6644.

FINANCIAL DIRECTOR

£10,000 + car
Yorkshire

A public group, turnover £20m., requires a Financial Director for one of its expanding subsidiaries in catering equipment distribution.

We are seeking a qualified accountant, around 30, with commercial experience.

The relatively small size and autonomous nature of this subsidiary company, which employs 100 people, provides an opportunity for the person appointed to demonstrate general management skills and should lead to total profit responsibility.

Basic salary will be circa £8,000 per annum with profit bonus, car and other fringe benefits.

Please apply to:
The Group M.D.,
Staines Catering Equipment Limited,
International Trading Estate,
Brent Road,
Southall,
Middlesex.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

Berkshire, c£11,000 + bonus + car

Our client is a market leader with an annual turnover well in excess of £50M of *which a significant proportion is exported.* The Group has a number of divisions in the UK and several overseas subsidiaries, and the young aggressive management team is currently restructuring the business to meet the challenge of the 80's. The Controller is responsible to the Group Finance Director for co-ordinating group reviews, consolidation and monitoring of individual divisional plans and performance reporting to optimise total profitability. He/she is also involved in investment actions and the review and development of new business opportunities. This position calls for an ability to motivate a team of professionals to achieve demanding objectives and meet tight reporting deadlines, but offers rewarding scope for exercising substantial management influence and subsequent career progression within the finance function or into general management. You should have attained a high standard of *academic and professional accountancy qualifications. Your experience* in the finance function must be broad based and preferably embrace both the accounting and analysis areas in an engineering environment and high level communication skills are essential. Experience of corporate planning is also highly desirable. Apart from offering an attractive commencing salary other benefits include an executive car, bonus scheme, BUPA and a generous relocation package.

G.E. Forester, Ref: 18254/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Financial Controller

c. £8,750 SUFFOLK

Our client is a medium sized engineering company and is currently undergoing *a substantial reorganisation to improve* profitability. The major proportion of its sales are exported.

Reporting to the Financial Director, the appointee will head a small Finance and Cost department.

The successful candidate will be a young qualified Accountant, having experience in developing and introducing Cost Control and Financial Planning systems. There is an ICL 2903 computer on site. Career prospects are excellent and conditions of service will include superannuation, free life assurance and relocation expenses, if necessary.

Candidates, who may be male or female, should apply in writing, giving their telephone number and quoting Ref: 964, to Peter Barnett, F.I.P.M., M.I.M.C., Barnett Keel Ltd., *Providence House,* River Street, Windsor, Berks SL4 1QT. Tel: Windsor 56723. Telex: 849323.

Barnett Keel
MANAGEMENT SEARCH

MONTAGU, LOEBL, STANLEY, & CO.

GILT EDGED DEALER

Montagu, Loebl, Stanley & Co. require an experienced dealer for their expanding Gilt Edged business.

Good salary and profit participation offered.

Please reply in confidence to:—

Mr. R. A. D. Froy,
Montagu, Loebl, Stanley & Co.
31, Sun Street,
London, E.C.2.

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

ACCOUNTANT

INTERNATIONAL BANK **c. £10,000 + Benefits**

A challenging vacancy in an expanding environment. Vacancy responsibilities include management of the accounting functions, financial reporting, budgets and supervision of statutory returns.

Our client's specification calls for candidates to have relevant experience in banking, to be equipped to manage an experienced team and have had involvement in computerised accounting. Preferred age 27-35 years.

BRANCH OPERATIONS

BANKING AND FINANCE **to £8,000 + Benefits**

Vacancy responsibilities include management of all branch clerical and administrative functions, customer liaison and man-management in a busy City office.

Candidates, ideally 25-32, should have organisational flair and proven management ability.

Top Executives

If you are finding your talents wasted—we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1308/1085

ASTLEY & PEARCE LIMITED

have a vacancy for an experienced

FOREIGN EXCHANGE DEALER

aged 22/23, in their Dublin Office.

Apply in confidence to:
Mr. R. C. Lacy,
ASTLEY & PEARCE LTD.,
80, Cannon Street, London, EC4.
Telephone: 626 2486.

DELEGATE IN THE UK

First line Spanish Industrial Group is seeking a Delegate in the United Kingdom. The Group deals mainly in the supply of heavy capital equipment for oil extraction and refining, energy, mining and steel production.

The successful candidate should be an experienced engineer well acquainted with the engineering companies working in the above fields in the UK. The main target of the job is to increase sales of the Group in the UK. Knowledge of Spanish language an asset.

Candidates to write Box A.6993, Financial Times, 10, Cannon Street, EC4P 4BY, with brief resumé of qualifications for this job and contact phone number.

ACCOUNTS MANAGEMENT

£5,000-£7,000 + CAR. NEGOTIABLE

A *well-established (23 years) and growing company (£1,000,000-£2,000,000 T/O)* of food importers based in South Woodford requires a person to be totally responsible for all accounts duties *up to trial balance* with particular working abilities *regarding credit* control, stock control, tax and to work closely with the shipping department in such matters as foreign exchange.

Current systems are manual but a change to computers within 12 months is envisaged.

This is a secure position with excellent possibilitie for advancement.

01-504 0364 ASK FOR MANAGING DIRECTOR
JOSE BATALLER & CO. LTD.

Broad-ranging Opportunities for Flexible Accountants

The company manufactures and markets a specialist industrial chemical product, and is one of the world's best known names in its field. Over the past half century it has based its success on its ability to react swiftly to the needs of the market place and to adjust *its priorities at short notice. Such an approach sets particular standards for its management team.* notably flexibility of thought and action, along with a high degree of self-discipline and self-motivation. In return, it offers go-ahead experience across the whole range of each particular management discipline – in this case, Finance. Planned development and internal promotion have led to three openings in widely differing locations, but they all share breadth of interest and genuine opportunity.

Group Management Accountant

Full Group responsibilities
c.£12,000 - Central London

The range of responsibilities involved means we are looking for experience and abilities to match. You may well be a qualified C.A. who has been to Business School and gained experience of the management accounting function in an international environment. You may already be well versed in international accounting, corporate taxation and budgetary *control. You will already be experienced* in computer applications for financial planning and project evaluation. However, all this will be of no avail if you cannot communicate your expertise to managers at all levels throughout the company, and at the same time develop a broad understanding of the marketing, production and *technical disciplines essential to the successful* completion of your assignment. If you are one of the small group who can meet this demanding specification, we should like to hear from you. Reference 9157/TRW.

Management Accountant

Central Accounting function
Up to £9,000 - North East

The U.K. operating company, based in the North East, has a well developed accounting function, but now needs a qualified C.A. or A.C.M.A. to take responsibility for the preparation of management information and to be involved in capital appraisal, project evaluation and the *development of commercial and technical information* systems. Again, there is pride in the ability of staff functions to understand and communicate with line activities: it is therefore unlikely that the shortlist will include anyone who has not had previous industrial experience, preferably in a process industry. *Whilst the* company is proud *of the professionalism of its accounting function*, it is continually looking for ways of modernising and developing its management and information systems. The management accountant will play a vital role in this activity and success here will lead to further career development. Reference 9158/TRW.

Management Accountant

Site Financial Department
Up to £9,000 - Humberside

Financial ability within the varying operations is now being strengthened, with site management asking for increasing help on the spot. To achieve this in the Humberside plant, we are looking for a *qualified Accountant, C.A. or A.C.M.A., to launch this new function.* The nature of this position will provide the ambitious professional with a unique opportunity for innovation and creativity. Plant management will look to its Accountant for advice and guidance on the complete range of financial activities including: analysis of operating data: *preparation and monitoring of budgets and forecasts; capital project* appraisal: and the development, within the company guidelines, of computer based factory management systems essential to the successful operation of the site. Once again, it is clear that some knowledge of a process industry at plant level would be a decided advantage. *Reference 9159/TRW.*

Applications, which may be from male or female candidates, will be treated in complete confidence and should be sent, quoting the appropriate reference and giving full career details, to Terry Ward.

BROOK STREET EXECUTIVE RESOURCES LIMITED

47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

The Executive Selection Company of the BROOK STREET Employment Service Group

---

University College of Swaziland

Applications are invited for the post of

LECTURER IN THE DEPARTMENT OF ACCOUNTING

Candidates should possess a professional qualification in Accounting plus a relevant degree. The appointee will teach on the four year full-time undergraduate programme and ancillary courses. He/she will also participate in research and in the administration and development of the Department. Salary scale: E5940-7860 p.a. (E1 = £1.55). The British Government may supplement salary in range £408-2184 p.a. (sterling) (reviewed annually and normally free from tax) plus associated benefits. Family passages; baggage allowance; 2/3 year contracts; gratuity/superannuation, inducement allowance if no supplementation; various allowances; medical aid; biennial leave. Detailed applications (2 copies) with curriculum vitae and naming three referees should be sent by 15th February, 1980, to:

The Registrar
University College of Swaziland
Private Bag
Kwaluseni, Swaziland

Applicants resident in the UK should also send one copy to:

Inter-University Council
90/91 Tottenham Court Road
London W1P 0DT

Further details may be obtained from either address.

FINANCIAL/MARKETING EXECUTIVE

Needed at senior level to assist president to supervise and control accounting and help with marketing ideas for mutual funds in currencies and commodities. University degree M.B.A. or LL.B. preferred. Executive salary level according to experience. Must be strong administrator and good organiser. Based in Brussels. No travel. Send full resume with salary history to:

Dept. FME12ABH
DUNN & HARGITT COMMODITIES
18 Rue Jacques Jordaens, Box 8
1050 Brussels, Belgium
Tel. Brussels 640.32.80

Accountant for Financial Planning

Middlesex **c£7000+car+bonus**

Our client is a market leader in the mini/micro computer business. The continued expansion of their organisation has created a key *new position for a dynamic young* accountant to work on budget planning and monitoring, corporate consolidation, and management reporting in a *small, highly committed team responsible for this* division of a U.S. based multi-national group. Candidates should be able to demonstrate a capability in financial planning, monitoring and control and should *have 2/3 years experience in industry after qualifying.*

The preferred age range is 24-32 and knowledge of mini-computer manufacture or sales would be an advantage. The successful *candidate will play an* increasing role in the company's European activities which will involve an element of travel. *Salary and conditions are excellent, as are career* prospects in this dynamic and expanding company. Please send your c.v. or request an application form from Ron Burgess quoting reference number: RB/FT/270.

Jean Dennington Limited,
Personnel Consultants,
14 New Burlington Street,
London W1X 1FF.
Tel: 01-734 6134.

Reed Executive

The Country's most successful Recruitment Service

Financial Controller

City of London ***c £15,000 + car***

This autonomous subsidiary of a major public group has long established and diversified operations in the Far East and Africa. As the senior financial and accounting executive for the London controlled subsidiaries, as well as Group Company Secretary, you will advise the Board on the financial and commercial implications of projected activities and trends. This will include accounting, treasury, legal and taxation matters. To exercise the degree of expertise required your professional qualifications will need to have been supplemented with at least five years commercial exposure, at a senior level, preferably including overseas activities.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0746/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

Legal Adviser

Arabic Speaking-Saudi Arabia

for a Saudi Arabian Government Agency financing industrial and electrical utility development.

The job will involve preparing and vetting major contracts or loan agreements, ensuring that the conditions are complied with and providing legal advice on contractual matters generally.

Candidates, who must have a law degree from USA, UK or Canada, should have at least 5 years' similar experience gained in a major bank or financial institution. Fluency in English and Arabic – written and verbal – is essential. A knowledge of the Shari'a would be a distinct advantage.

A 2 year contract will include an attractive salary, free accommodation, car lease scheme, generous leave arrangements including annual leave home, medical cover and education allowance.

Please write giving full career, current compensation and personal details–in confidence–to A. R. Duncan ref. B.1107-1.

MSL middle east
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Banking Representative

Edinburgh

Kleinwort, Benson Limited is seeking a replacement for Bill Lord, their Representative in Edinburgh, who is shortly to retire.

The successful applicant will be required to discuss the Bank's wide range of financial services with customers at executive level. Previous experience *in banking preferred, but not essential.*

The position may well suit a person who has held a responsible post connected with finance. Age is not a primary consideration, applicants within 10-15 *years of retirement are also invited to apply.*

In addition to a competitive salary you can expect to enjoy a wide range of benefits including house *mortgage assistance, non-contributory pension scheme and free life assurance cover.*

Please write, giving details of experience and career to date, to:

Mr. P. F. G. Barnes,
Assistant Director, Personnel,
Kleinwort, Benson Limited, *20 Fenchurch Street,*
London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

CORPORATE ADVICE DIRECTOR

Barclays Merchant Bank has shown substantial growth over the past two years in its Banking and Advisory activities. As a result of this expansion, applications are invited from experienced Corporate Advice Executives who consider themselves able to command an immediate Directorship.

It is unlikely that anyone who has not been involved in Corporate Advice with a Merchant Bank for a number of years would qualify; additionally applicants who have some overseas experience, especially in the North American market, will be given high priority.

Terms are for discussion but will include a substantial salary and the benefits normally associated with the merchant banking sector.

Those interested should, in the first instance, contact:

The Managing Director,
Barclays Merchant Bank Limited,
Dashwood House, 69 Old Broad Street,
London E.C.2.

BARCLAYS MERCHANT BANK

BANKING PERSONNEL...

extends the compliments of the season to the Banking community at large, with particular thanks to those Clients and Candidates who have helped to make 1979 an outstandingly successful year.

1980 promises to be a year of challenge and opportunity and we look forward to providing a service that complements the higher standards of professionalism that will necessarily obtain.

BANK ON US FOR THE NEW YEAR!

Rod Jordan and Mark Stevens

BANKING PERSONNEL
41/42 London Wall London EC2 Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

NEW ISSUES

City to £13,000

The merchant banking arm of a major continental bank, long established in the City, is now expanding its New Issues activities. To perform this task the Corporate Finance Department needs to increase its *staff with a male or female executive, aged around 27-35 with a professional qualification or degree having a sound experience of New Issues both in the* British and Eurobond markets gained probably with a bank or major stockbroker. A reasonable knowledge of French would be a distinct advantage to facilitate discussions with senior financial executives of client companies. Non contributory pension and BUPA schemes, low interest mortgage and promotion prospects are provided. *Please send full career details in confidence to:*

Denis V.E. Howard

Recruitment Consultant

Third Floor, 4 Cromwell Place
London SW7 2JJ

Accountant

London c£9,000

A US company with extensive operations in UK seeks at least one accountant to strengthen their London Head Office in 1980.

Reporting to the *Chief Accountant the new man or woman is to be concerned mainly with budgets, forecasts and special investigations.*

Candidates with a commercial bent should preferably be qualified management accountants, ideally ACMA's who *understand the problems of large companies and complex* management information systems. However, young accountants still in the profession who have completed their 1979 examinations will also be considered if they can demonstrate ability and potential. There are no age limits, but those under 35 may have an advantage. Salary for the ideal candidate is to be around £9,000 plus appropriate fringe benefits.

Candidates should telephone or write for an application form quoting reference 701.

Roland Orr
Management Consultant

35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

Deputy Managing Director

Luxembourg

We are a multinational bank active in the Euromarkets with a particular lending emphasis towards the Nordic countries.

We are looking for a Deputy Managing Director who should have a professional qualification and several years of experience at senior level in international banking, particularly in the loan business. The command of a Scandinavian language is required.

Remuneration will be negotiable and commensurate with the high qualification and experience demanded.

Candidates should apply in writing enclosing a curriculum vitae to:

Box . . 132,
Financial Times,
. . Cannon Street,
. . 4P 4BY

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A challenging and interesting first step into Merchant Banking

ALPS

ACCOUNTANT – SYSTEMS and FINANCIAL CONTROL

CITY — **ATTRACTIVE REMUNERATION**

LEADING MERCHANT BANK

Applications are invited from Accountants (C.A., A.C.A.), aged 24-28 preferably who have acquired experience in a large accountancy practice, with responsibility for heading an audit and some accounting systems implementation experience. Working as part of a small team, the successful candidate will have responsibilities covering computer and other control systems and to a lesser extent internal audit. A full familiarisation training will be provided. An enquiring mind and the ability to communicate lucidly both orally and in writing are important. An attractive remuneration is negotiable by way of high basic salary plus house mortgage subsidy, non-contributory pension, free life assurance, and free B.U.P.A. Applications in strict confidence under reference ASFC017/FT, to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

Position with excellent prospects for development within the Bank's Accounts and Secretarial Division

CJA

COMPANY SECRETARY'S ASSISTANT

CITY — **ATTRACTIVE REMUNERATION**

LEADING MERCHANT BANK

This vacancy calls for candidates, aged 23-27 who have some experience in a similar environment and preferably a relevant professional qualification also. The selected candidate will act as Assistant to the Company Secretary on an unusually wide range of activities covering statutory requirements and administration for over 40 companies. The ability to communicate lucidly and work accurately under pressure is important. An attractive remuneration is negotiable by way of high basic salary plus house mortgage subsidy, non-contributory pension, free life assurance, and free B.U.P.A. Applications in strict confidence under reference CSA3958/FT to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

EUROBONDS IN MERCHANT BANKING

Our client is a leading City merchant bank. As a result of recent legislation and the bank's principal position in the international financing world, it is seeking to develop its Eurobond facility.

Applications are invited, in strictest confidence, from senior executives with well-established reputations in the following main areas:

★ BUSINESS DEVELOPMENT
★ TRADING
★ *SYNDICATION*

The positions that are available will involve the successful applicants not only in being able to utilise the prestigious name of this bank but will also allow involvement in the direction of the Eurobond business.

Salaries are negotiable but excellent experience will produce attractive offers.

For further discussion, please write to
JACK PINE, M.A., Consultant
Ref: 5003

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

WESTLAKE & Co.

STOCKBROKERS, PLYMOUTH
require a
Member of the STOCK EXCHANGE

The successful applicant will be required to assist in the management and expansion of our services to Private Clients and Agents with the possibility of eventual partnership. Ideally applicants should be over 30 and have some established business West Country connections would be an advantage.

Please write in confidence to:

Staff Partner, Westlake & Co.
Princess House, Eastlake Walk, Plymouth, giving full details of age and experience.

INSTITUTIONAL SALESMAN—BROKER

With established banking contacts. Needed to introduce portfolio management programs for mutual funds in currencies and American commodities to financial groups in London and continent. Must be well introduced and capable of earning US dollars 100,000 a year. University degree required. MBA preferred. Based in London. Must organise new office.
Send full resume with salary history to:
Dept. 15812ABH
DUNN & HARGITT COMMODITIES
18 Rue Jacques Jordaens, Box 8
1050 Brussels, Belgium
Tel: Brussels 640.32.80

Deputy Manager

Banking — *Manchester*

Hill Samuel and Co. Limited, one of the country's leading merchant banks, wishes to appoint a *Deputy Manager for its Manchester Banking Hall*, which is due to open early next year.

The successful candidate will play a vital part in the development of commercial banking business. Initial responsibilities will include office management and the evaluation and control of local lending in both corporate and private sectors.

Applicants, male or female, who should be in their late 20's or early 30's and preferably qualified AIB, must be able to demonstrate the personal qualities and technical competence essential for this important appointment.

Excellent career prospects and an attractive salary will be offered together with normal banking benefits, including house loan facilities, staff loans, non-contributory pension scheme, free life assurance, BUPA and luncheon vouchers.

Please apply in writing, enclosing a full curriculum vitae, to:-

W J Davies
Banking Hall Manager
Hill Samuel & Co. Limited
7 Booth Street
Manchester M2 4AE

HS

SENIOR FOREIGN EXCHANGE DEALER

to be responsible for FX Section, reporting directly to the Department Manager/Treasurer.

Min. 7 years recent experience and proven track record as Section Head with Spot-and-Forward Dealings primarily in DM, SF and Stg. Salary commensurate, plus bonus, plus excellent benefits.

Deutsche Bank AG
New York Branch
P.O. Box 890
Radio City Station
New York, N.Y. 10019

Telephone between 10 AM and 1 PM
Mrs. S. Birr, 940-8002

An Equal Opportunity Employer

Trust Officer
British West Indies

Cayman International Trust Co. Ltd., situated in Grand Cayman, Cayman Islands, requires a *Trust Officer having* an A.I.B. Trustee Diploma plus at least 5 years' practical experience.

The position offers the successful applicant the opportunity to gain experience in corporate management as well as trust administration and the opportunity of working in both an international tax free financial community and a resort environment.

The Company, owned by a group of the world's leading banks, offers the successful applicant a 3 year contract initially with attractive salary and fringe benefits.

Interviews will be arranged for mid-January in London and applicants should write, including curriculum vitae, in confidence, to:

G. W. P. Camble,
Royal Trust House,
48-50 Cannon Street,
London EC4N 6LD.

Progressive and substantial UK Record Company requires top grade

HEAD OF FINANCE AND ADMINISTRATION

Must be qualified accountant and must have substantial experience in running of financial department, preferably in the music business. Must have analytical business mind and be totally involved in all aspects of the financial running of the company.

Rewards for the successful applicant include a high salary, company car, annual bonus scheme, PPP membership, etc.

Please reply in confidence to Box A6997
Financial Times, 10 Cannon Street, EC4P 4BY

APPOINTMENTS WANTED

PROFESSIONAL CREDIT & ACCOUNTS MANAGER

(Aged 33) seeks Freelance Assignment or challenging post

Extensive international experience of both manual and computerised commercial and consumer receivables management, including credit vetting investigations, credit control systems and debt collection and litigation procedures. Currently living in London, but prepared to travel (or move) anywhere. All replies will be answered promptly and in complete confidence.

Please reply to Box A6998, Financial Times
10 Cannon Street, EC4P 4BY

SENIOR ENGINEER

Experienced and highly qualified, aged 42, is retiring from the Israeli Navy in December 1979 and wishes to represent Industrial or Engineering concerns as resident representative in Israel and the Eastern Mediterranean area. Curriculum Vitae and other details available on request.

Write Box A6995, Financial Times
10 Cannon Street EC4P 4BY

DALLAS/FORT WORTH TEXAS

British Executive
M.B.A. A.M.B.I.M.

Permanent resident USA, returning to reside Dallas, seeks assignments/job opportunities/representing your interests etc.
Ex-consultant, marketing executive, procurement manager, performance auditor/O & M. Accounting/finance background.

phone 01-949 0354

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 11 December 1979

Job Title	Salary	Location	Advertiser
Chartered Accountant	£9,000	City & travel	Chase Manhattan Bank N.A.
Audit Manager	£7,480 £8,210	London	London Transport
Chartered Accountant	£7,750	London	Box A6993
Accounts Management	£8,000+	London S.E.13	Gilmex International
Accountant	£9,000	City	Dunlop & Badenoch Accountancy Recruitment

For the full text of the advertisement please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

COMPANY NOTICES

CHUJITSUYA CO., LTD.
TOKYO, JAPAN
5% DM Convertible Bearer Bonds of 1979/1987
Security Index Number 464 564
Adjustment of Conversion Price

The Board of Directors adopted the following resolution on October 1, 1979 —

Public offering of 3,000,000 shares of Common Stock at a price of Yen 925 per share; Payment date: November 30, 1979; issue date: December 1, 1979

As a result of this capital increase the previous conversion price of Yen 1,312 for the convertible bonds is to be adjusted in accordance with the Terms of Issue to Yen 1,301.30 per share of Common Stock with a par value of Yen 50, effective from December 1, 1979.

On behalf of Chujitsuya Co., Ltd.
BAYERISCHE VEREINSBANK

Munich, December 1979

COMPANY NOTICE
BRAZILIAN INVESTMENTS S.A.
SOCIEDADE DE INVESTIMENTO — DECRETO LEI No. 1401
International Depositary Receipts issued by Morgan Guaranty Trust Co of New York

Final dividend of US$205.27 net per IDR (first series) and of US$151.68 net per IDR (second series), in respect of the period ended 30th September 1979, is payable on or after 10th December 1979 upon presentation of coupon no 8 for the first series and coupon no. 3 for the second series at the offices of Morgan Guaranty Trust Company of New York in:
Brussels—35 avenue des Arts
London—33 Lombard St., London EC3
New York—
30 West Broadway, N.Y. 10015
representing gross dividend of 96 per cent per cruzeiro share, less withholding tax of 15 per cent and expenses of US$0.505 per IDR (first and second series).

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHINPAN CO. LTD.

We are pleased to confirm that copies of the Quick Information of Semi-Annual Results of Operations for Six-Month Period ended September 30, 1979 of Nippon Shinpan Co. Ltd., are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

Citibank N.A., London, Depositary. December 13, 1979.

Banque de Paris et des Pays-Bas Floating Rate 1980 $25,000,000

The interest rate applicable to the above loan in respect of six month's period of 183 days commencing 11 December 1979 has been fixed at

$13\frac{7}{8}$%

so that accordingly the interest payable in respect of such period (calculated on the basis of a year of 360 days for the actual number of days elapsed) will be made on 11 June 1980 at dollars U.S 70.53125 per coupon.

Fiscal Agent
BANQUE DE PARIS ET DES PAY-BAS LUXEMBOURG

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
DIVIDEND NOTICE

At a Meeting of the Board of Directors held today, the following dividends were declared

ORDINARY CAPITAL STOCK

A final dividend of ninety cents (90c) per share on the outstanding Ordinary Capital Stock in respect of the year 1979, payable in Canadian funds on January 28 1980, to Shareholders of record as at the close of business on December 27 1979.

7¼% CUMULATIVE REDEEMABLE PREFERRED SHARES, SERIES A

A dividend of thirty-six point twenty-five cents (36.25c) per share on the outstanding 7¼% Cumulative Redeemable Preferred Shares, Series A, payable in Canadian funds on January 28 1980, to Shareholders of record as at the close of business on December 27 1979.

4% PREFERENCE STOCK

A final dividend of two per cent (2%) on the outstanding 4% Preference Stock in respect of the year 1979, payable on January 28 1980 to Stockholders of record as at the close of business on December 27 1979.

By Order of the Board.
J. C. AMES.
Vice-President and Secretary.

Montreal.
December 10, 1979

J. A. DEVENISH & CO. LTD.

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relative to the Company's Ordinary Shares will be closed from 8th January, 1980 to 22nd January, 1980 (both dates inclusive) for the preparation of Dividend Warrants payable on 24th January, 1980.

By Order of the Board.
J. A. LUTHWAITE, Secretary.

Trinity House,
15 Trinity Street,
Weymouth.
5th December, 1979.

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS

£7.5m 91 day Bills issued 13th December mature 13th March 1980. Applications totalled £71m. Minimum accepted price £96.01. Average rate of discount £16.004%. Total Bills outstanding £23.5m.

EDUCATIONAL

ST. JAMES'S SECRETARIAL COLLEGE. Prospectus from Mrs. Grant, 4 Wetherby Gardens, SW5. 01-373 3852.

TRAVEL

GENEVA, Basle, Zurich and Berne, widest range of cheap flights from 4 U.K. airports. Brochure FALCON, 01-351 2191.

ART GALLERIES

FINE ART SOCIETY, 148, New Bond Street, W1. 01-629 5116. DIAGHLEV IN ENGLAND. Also ETHELBERT WHITE, 1891-1972.

MARLBOROUGH, 6 Albemarle Street, W1 GRAHAM SUTHERLAND. New aquatin's illustrating Guillaume Apollinaire's Bestiary with related watercolours. 21 Nov-18 January. Mon-Fri. 10-5.30. Sat. 10-12.30. Closed 22 Dec.-2 Jan.

OMELL GALLERIES, 40, Albemarle Street, Piccadilly W.1. Fine 20th CENTURY BRITISH & EUROPEAN PAINTINGS, many delightful subjects, including always GREAT SELECTION OF MARITIME PAINTINGS by outstanding Artists, but at REALISTIC PRICES.

OMELL GALLERIES, 22, Bury Street, St. James's, London, SW1. 19th CENTURY ENGLISH and CONTINENTAL OIL PAINTINGS. We currently hold five hundred selected works with prices from £400-£10,000. For further details please telephone 01-839 5274-5.

RICHARD GREEN GALLERY, 36, Dover Street, W1. 01-491 3277. CHRISTMAS EXHIBITION OF VICTORIAN PAINTINGS AND WATERCOLOURS. Daily 10.00-6.00. Sats. 10.00-12.30.

RICHARD GREEN, 4, New Bond Street, W1. 01-499 5487. THE VICTORIAN SCENE. Daily 10.00-6.00. Sats. 10.00-12.30.

MATTHIESEN, 6 Mason's Yard, St. James's, SW1. 930 2437. BRITISH PRINTMAKERS 1812-1940. Until Jan. 25. Mon.-Fri. 10-6.

APPOINTMENTS

Mr. R. B. King is House Builders' president

Mr. Ronald B. King, managing director of the housing division of Tarmac, is the new President for 1979-80 of the HOUSE-BUILDERS FEDERATION. He has served on the HBF Council for five years and was most recently chairman of the Federation's land and planning committee.

★

Mr. Ken Sinclair has been promoted to director of the NATIONAL ENTERPRISE BOARD'S northern region office in Newcastle. He will retain his post as secretary to the NEB's Northern Region Board.

★

Mr. Barry Gill has been appointed a director of the Sergeant Seeds division of FARM FEED HOLDINGS.

★

AMERICAN EXPRESS COMPANY has appointed **Mr. Robert E. O'Connell** *vice-president*, corporate personnel, Europe, Middle East and Africa. He will be based in Brighton with offices in London.

★

Mr. J. J. Francis has been appointed chairman elect of DOBSON PARK INDUSTRIES. He will succeed **Mr. C. F. Ward** as chairman after the annual meeting on February 21 when Mr Ward reaches retirement age for Dobson Park main board directors.

Mr. Francis joined Gullick in 1957 as works manager and subsequently became a director of Gullick, William Park and Co., Forgemasters, and on the formation of Dobson Park Industries in 1968, a group director. He was chairman of the mining machinery division from 1970 to 1977, after which he was appointed group deputy chairman and is also currently chairman of the Kango division.

★

Mr. R. L. Black has been appointed an associate director of GEI INTERNATIONAL, following his promotion to the post of deputy operations director of the company. He was formerly managing director of the company's Midland steel products division. He has been with the GEI Group for over 20 years.

★

IMPERIAL CONTINENTAL GAS ASSOCIATION *has appointed* **Mr. J. L. Stretch** as director of oil operations from February 1. He will take executive responsibility for all IC Gas's oil and related gas developments, including those of Century Power and Light, of which subsidiary Mr. Stretch has been appointed managing director and **Mr. H. J. Buckley** executive director. On February 1, **Mr. B. H. Wilmot** will succeed Mr. Stretch as IC Gas Group financial controller, and will relinquish his position as group financial controller at Calor Gas Holding Company of which subsidiary he will remain a director.

★

Mr. Neil M. Williamson has been appointed manager and a director of ICFC CORPORATE FINANCE.

★

Mr W. M. Bannachan, is to become director of international operations, WEIR PUMPS, from January 3. He is at present managing director of the Weir Group's associate company Walthon-Weir-Pacific S.A., Zaragoza, Spain. **Mr. T. Motherwell**, has been appointed executive director of the company's spares and service division, of which he was formerly customer service manager. **Mr. G. W. Smith**, who has been company secretary of Weir Pumps since 1976, is in addition appointed an executive director.

★

Mr. Nicholas Hutton has been appointed chairman of the INDEPENDENT BROADCASTING AUTHORITY'S local advisory committee for independent local radio in the Sheffield and Rotherham area. He succeeds **Mrs. Pat Spittlehouse** who has served as chairman of the committee since 1976. Mr. Hutton has been managing director of Greenup and Thompson since 1972.

★

Mr. Hugh Ellis has been appointed managing director of INTERCITY ELECTRIC AND MECHANICAL SERVICES, a subsidiary company of the Terrapin Group.

★

Mr. Derek F. Bond has been appointed by BELL AND HOWELL as engineering director of the electronics and instruments division in Basingstoke. He joins the company from Wayne Kerr.

★

Mr. D. B. Smith, **Mr. Anthony D. Broadhead** and **Mr. Eric Frye** have been appointed directors of DEBORAH SERVICES.

★

Mr. Hermann-Adolf Kunisch has been appointed deputy member of the Board of Managing Directors of HESSISCHE LANDESBANK — Girozentrale — in Frankfurt from January 1. Dr. Kunisch, general manager at Hessiche Landesbank since March 1975, heads the Bank's foreign banking operations.

★

Mr. A. Wren has been appointed chief executive of the STANDARD BANK in *Zimbabwe-Rhodesia*. He will succeed **Mr. J. S. Davidson**, who will be joining the London management of Standard Chartered Bank as general manager on special duties linked to the development of international business with Zimbabwe-Rhodesia.

★

Mr. E. S. Booth has been appointed as a director of BRITISH ELECTRICITY INTERNATIONAL and consultant to the ELECTRICITY COUNCIL. Mr. Booth is a member of the Electricity Supply Research Council and, until recently, was chairman of the Yorkshire Electricity Board and member of the Electricity Council.

★

Mr. Jack E. Willett has been named senior vice-president of INTERNATIONAL STANDARD BRANDS.

★

Mr. Ian Fraser, managing director of BIG H/HOMEWORTHY, the Lonrho furniture subsidiary, is to leave the company he relaunched a year ago, to enable him to develop his own interests in the furniture industry.

★

Mr. Eric R. Durant has been elected vice-president in charge of investor relations for WELLS FARGO AND CO.

★

The quarry products division of TARMAC states that **Mr. E. Hughes** has been appointed deputy managing director of Tarmac Roadstone (*Northern*). In addition to deputising in the absence of the managing director, **Mr. D. T. Carr**, he will be responsible for Industrial Mineral Products and Econowaste. As a director of Tarmac Roadstone Holdings, Mr. Hughes will continue to be responsible for all matters of national transport policy to that Board.

★

Mr. Peter Viggers, Conservative MP for Gosport, **Mr. Graham Newman**, **Mr. John Archer** and **Captain Colin Keay** have been elected to the Committee of Management of the ROYAL NATIONAL LIFEBOAT INSTITUTION.

★

Dr. Torsten Lindstrom, at present managing director of ASEA AB, Västeras, Sweden, has been appointed group executive officer from June 1, 1980, in succession to **Mr. Folke Westerberg**, who is retiring. **Mr. Percy Barnevik**, who is deputy managing director of Sandvik AV, Sandviken, Sweden, is to become managing director of ASEA AB from the same date.

★

Following its acquisition by the ANZ Banking Group, the Board of the BANK OF ADELAIDE has been restructured as follows:

Sir Ian McLennan has been elected chairman and **Mr. M. Brunckhorst** (ANZ's managing director) deputy chairman. Its former chairman, **Sir Arthur Rymill** and **Mr. E. H. Burgess** will remain as directors. Other new Board appointments are: **Mr. J. D. Milne**, ANZ's general manager—corporate banking and **Mr. A. G. Kilpatrick** ANZ's assistant general manager—funds management. **Mr. A. M. Simpson** (formerly deputy chairman), **Mr. D. M. Fowler**, **Mr. R. S. Turner**, **Mr. P. B. Wells** and **Mr. M. J. Astley** have retired from the Board. **Mr. A. G. Wiltshire**, at present chief manager of ANZ's 388 Collins Street, Melbourne branch, has been appointed joint general manager of the Bank of Adelaide with the present general manager **Mr. L. R. Clifford**.

The Bank of Adelaide Savings Bank, whose Board was the same as the parent bank, is also being restructured and the same directors have retired. Further changes are to take place.

★

M. Pierre Ledoux, honorary president of Banque Nationale de Paris, has been appointed president of the FRENCH BANKING ASSOCIATION. He replaces **Baron Rodolphe Hottinguer** who has been president of the Association since 1943.

★

Rear Admiral E. F. Gueritz has been appointed director of the ROYAL UNITED SERVICES INSTITUTE FOR DEFENCE STUDIES. He has been succeeded as editor at the RUSI by **Miss Jennifer Shaw**.

★

Mr. Maurice A. Fry who retires as full-time executive chairman on March 31, has been elected non-executive chairman of the ELECTRONIC RENTALS GROUP from that date. **Mr. Trevor E. Entwistle** and **Mr. David D. Hurley** have been appointed joint managing directors of the group from April 1.

★

Sir Geoffrey de Freitas has been appointed chairman of CSM EUROPEAN CONSULTANTS. Sir Geoffrey served as a Labour Member in ten UK Parliaments. He was for three years president of the Council of Europe Assembly, and for four years a vice-president of the European Parliament.

★

Mr. David K. Dodd has been appointed international marketing manager and London representative of CEDEL SA, an international securities clearance system based in Luxembourg. He was previously a director and senior vice-president of Merrill Lynch International.

★

Mr. K. M. Hamilton will retire from BLACKWOOD MORTON AND SONS (HOLDINGS) on January 31 on reaching retirement age. He will be succeeded as chairman by **Mr. Gavin Morton** and as managing director by **Mr. Alex M. Leggate**. **Mr. Edward Ellery** has been appointed a director and **Mr. James F. Gilmour** will succeed Mr Leggate as company secretary from February 1.

★

On January 1 **Mr. I. R. Burrage** becomes a group financial controller of CARRINGTON VIYELLA and on the same day, **Mr. P. G. M. Cox**, at present a group financial controller, will become vice-president finance of the Canadian associated company, Consolidated Textile Mills.

★

Mr. Douglas R. P. Baker, managing partner and chief Executive of TOUCHE ROSS AND CO. has been elected chairman, board of governors, TOUCHE ROSS INTERNATIONAL.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Tracks pipelines and cable runs

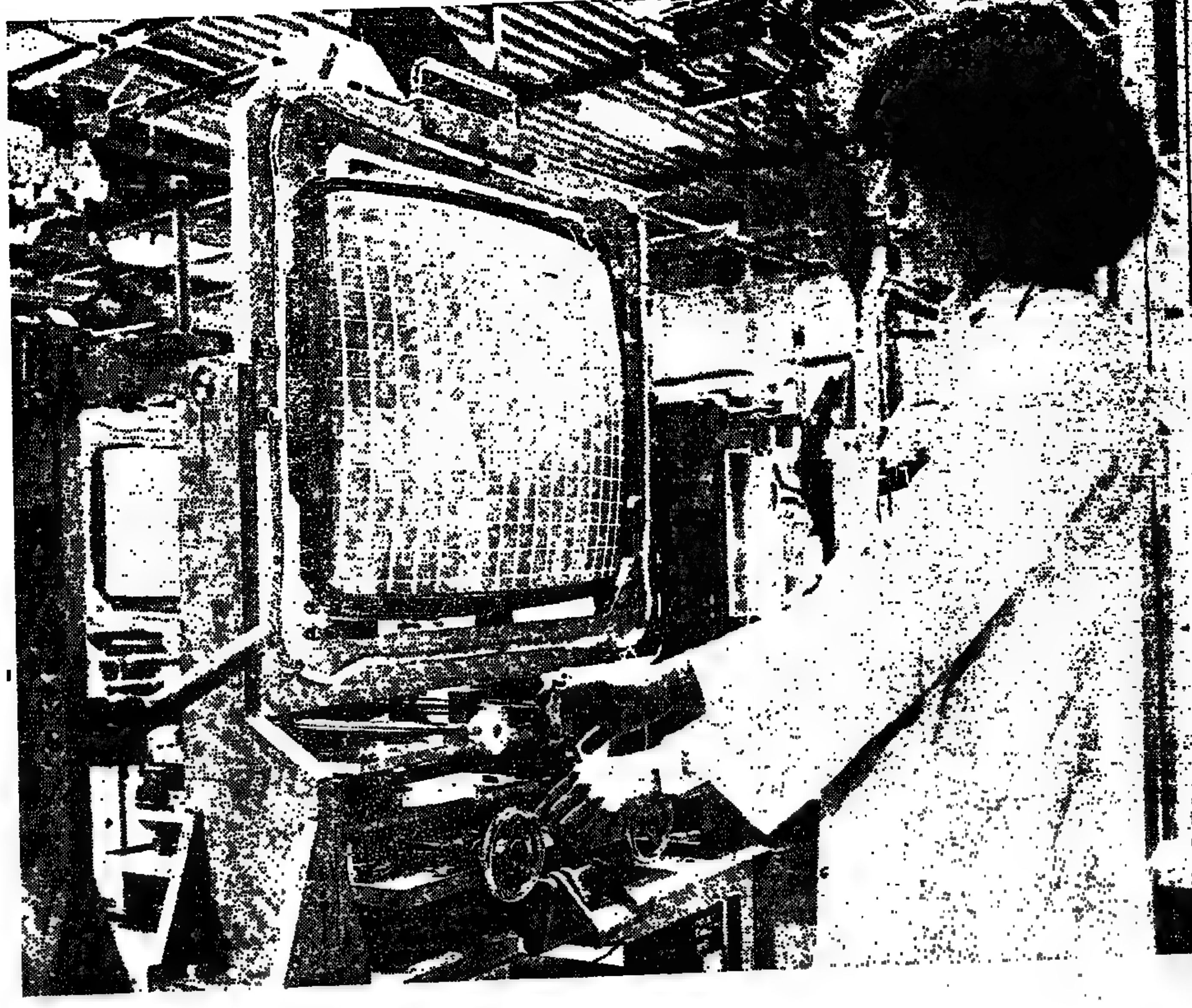
SUITABLE FOR fitting to any submerged vehicle or to a hand-held frame is a two-coil electro-magnetic system called Loctrak which can be used to trace accurately the position of a pipeline or cable run; or it can be used as a simple metal detector.

Signals from the twin detectors are sent to the surface on an umbilical where they are displayed on a pair of moving coil meters. Since the coils always remain a fixed distance apart, relative movement of the meter needles on moving the vehicle will indicate a course to steer: at a distance from the pipeline both will shift in the same direction, but if the pipe is between the coils one will increase and the other decrease when the vehicle moves.

The system can be tuned for different sizes of pipe or cable and the overall strength of the readings can give information about depth of burial. No range switching is required.

For feeding recorders or other peripheral equipment, the electronics unit can also provide analogue and binary coded decimal outputs. It is therefore possible to close an azimuth control loop to cause a remote vehicle to follow automatically.

More from Oceonics, 89, High Street, Alton, Hants (0420 86666).



In spite of the difficult world market position in colour television tubes, Finland seems determined to maintain a production facility and the Government is to provide support to the tune of FM 349m (£43m). The money will go to a re-formed company resulting from the take-over by Finnish industrial giant Valmet Oy of tube-maker Valco Oy. The new company is called Finnvalco Oy and it will be a member of the Valmet automation group. It expects to achieve an initial annual production figure of 150,000 tubes, with an increase to ½m in a "phased marketing operation over the next few years." The tubes, one of which is seen here undergoing adjustment of the integral yoke, are based on Hitachi technology. They will be made in 26, 22 and 10 inch sizes and have in-line unitised electron guns, 110 deg deflection, 29.1 mm neck, temperature compensated shadow-mask, electrostatic focus, magnetic deflection and self-convergent integrated neck components.

● SAFETY

Responds to vapours

AVAILABLE FROM Allison Engineering is a General Monitors system with a sensor that can be specifically pre-calibrated to respond to a particular solvent vapour.

Typical locations for the sensor would be in drying ovens, solvent storage areas and close to process pumps where there is a possibility of gland leakage.

Sensor signals are cable-connected to a controller in plant office or control room, with meter display and high/low alarm lamps initiated by corresponding set points.

A 4 to 20 mA analogue output is also provided, together with high and low alarm relays and a malfunction relay.

The sensor housing is available to both BASEEFA and PTB approvals. If needed, a portable calibration chamber for checking sensor and controller calibrations can also be supplied.

Allison is at 10 High Street, Billericay, Essex CM12 9BE (02774 59519).

Approving the process

AT THE "custom" end of the semiconductor business the cost and time involved in obtaining approval for a specific device which may be produced in relatively small quantities would not be worthwhile in many cases.

As a result the British Standards Institute has introduced the "concept of capability" which, under the provisions of BS9450 allows complex large scale integrated devices to be fully approved by approving the process by which they are manufactured.

GEC says it is working towards an acceptable BS9540 approval for much of its LSI semiconductor processing and production, with some funding assistance from CVD (Directorate of Components, Valves and Devices).

Trouble has been that device approval could take a year or so. As GEC points out, with the LSI business moving so fast, in a year one technology could be entirely replaced by another.

Handles the information

XEROX Corporation has announced the introduction of a multi-functional office information system that combines processing of text, business records and data, thus entering an arena where IBM, ICI, Honeywell and latterly NEXOS are active.

The product, the Xerox 860 information processing system, can be programmed to handle a variety of text-editing applications, as well as the processing of office business records and data.

Purchase price in the U.S. for the basic 860 is $15,300.

It comes in five optional disc storage layouts which can hold up to 4,800 pages of material.

Xerox claims that it will allow users to handle a variety of office tasks beyond those normally associated with word processing. A relatively small 860 will include a full-page display unit, keyboard, printer, controller, operating system, text-processing software and applications programs.

Optional applications packages include programs for records processing, system activity recording and a basic language interpreter that allows the use of business applications programs.

Xerox also announced an office communications network called Ethernet. The 860 as well as other systems and products will operate on this network.

The new 860 system has been designed to fit into the current Xerox word processing product family. A user of the present Xerox 850 page display typing system can get the 860 extended capability by changing system controller units.

● PROCESSING

Ultrasonic welders

WITH THE benefits of ultrasonic welding in plastics assembly becoming more and more appreciated, PB+E Engineering has taken on the sales of U.S.-made Cavitron welding units.

The advantages of using such techniques include increased productivity, lower assembly costs, better quality, cleaner products, simple control and the elimination of solvents and adhesives.

Basic principle of such equipment is that the welding tool (called a horn), which is shaped so as to apply energy over the area of the desired weld, is made to vibrate up and down at about 20 kHz, the resulting frictional heat melting the plastics, joining two pieces together or joining plastics to metal.

A popular model in the Cavitron range, the 150/70PE can be used for welding, staking, inserting, scan welding, swaging and similar tasks. The power of 800 wattts can be applied with constant tool amplitude regardless of pressure, the material being welded or the state of the weld. In this way stalling and interruption of production cycles is avoided.

An optional extra is a monitoring system called Enertrol which senses part to part variances and compensates proportionately by adjusting the power and time in accordance with the amount of resistance offered by the part and sensed by the transducer.

Feasibility studies, system design and production (a number of modules can be assembled to make particular jobs possible) and the design of tools will be offered by PB+E at 713 Banbury Avenue, Slough, Berks SL1 4LH (Slough 36536).

Cleans the screen

A MONORAIL suspended rake for cleaning vertical bar screens, which are used for initial screening of drinking water at reservoirs and cooling water at power stations, has been developed by Adamson Butterley, Neasham Road, Darlington, DL1 4AH. 0325 67661.

The overhead monorail suspension system allows use of the rake where there is insufficient horizontal area at the top of the screen for a conventional twin rail system on which the rake hoist unit can travel. In use the rake is lowered on three ropes down the screen to a point below the collected debris. The rake is then engaged with the screen and hoisted upward to finally deposit the debris in a bin at the top.

● HEATING

Commercial fluid bed at work

FIRST coal-fired industrial fluid bed steam generator to go into commercial operation in the United States is in continuous operation, supplying steam for the University of Georgetown's heating system.

This fluid bed steam generator was designed and built by Foster Wheeler and will operate at up to its full rated capacity of 100,000 lb/hr. of saturated steam at 625 p.s.i.g. Although the unit has been called upon to deliver only 50 per cent of its capacity to date, it has supplied the university with its entire steam requirement when an existing gas-fired boiler was out of service.

In this boiler, coal particles are burned in a bed containing limestone through which air is passed fast enough to make it resemble a boiling fluid.

Sulphur from the burning coal, in the form of sulphur dioxide, is chemically captured by the limestone. This eliminates the need for an external flue-gas desulphurisation system as used on conventional steam generators.

Tests show that when burning coal with a 3.3 per cent sulphur content in the Georgetown University fluid bed unit, sulphur dioxide emissions of 0.65 lb per million BTUs of heat were obtained. This relates to an 87 per cent removal of the sulphur dioxide from the fuel during the combustion process.

Since the bed operates at a temperature of about 1,600°F, formation and discharge to atmosphere of nitrogen oxides is also low.

Foster Wheeler Power Products, POB 160, Greater London House, Hampstead Road, London NW1 7QN.

Sight and sound

LATEST TWIST in the design of smoke detection fire alarms comes from Nu-Swift International.

When the alarm goes off, the detector's 3.5 candle power lamp switches on automatically to illuminate the danger area and help prevent accidents.

Known as Nuflash model 777, the unit has a highly sensitive ionisation chamber detector which is able to detect both visible and invisible smoke. It can thus provide early warning of slow, smouldering fires and allow extra time to escape from fast developing ones.

An electronic horn provides a piercing high note alarm signal at 85 dB.

More from the company at Elland, West Yorkshire HX5 9DS (0422 72853).

● MATERIALS

Repairs cracks in the wall

STRUCTURAL FAULTS in buildings can be repaired by the "man on site" instead of calling in specialist contractors, according to SBD Construction Products.

EPIK (Epoxy Plus Injection Kit) can be used to treat even cracks that go right through the wall. All the equipment required is supplied in kit form and includes epoxy and polyester compounds and applicator gun.

Epik is based on the claim that if the crack can be saturated with SBD Epoxy Plus resin until this cures, it will form a bond twice as strong as conventional concrete. The crack is made into a temporary reservoir by sealing all exposed sections with a fillet of crack sealer. At the same time injection nipples are installed at regular intervals.

Once the sealer has cured, the injection resin is mixed with hardener and pumped into the fault, using the applicator gun. Each nipple is crimped off when the crack is saturated with resin. The fault is then left overnight while the resin cures — giving a high-strength joint. The surface of the repaired fault can then be sanded down and prepared for decoration.

SBD injection resin is a high-strength epoxy specifically developed as a jointing, grouting and bedding agent for the construction and civil engineering industries. Capable of bonding most building materials, it develops a compressive strength in excess of 69 MN/ per square metre (10,000 psi) and a tensile strength in excess of 13 MN/ per square metre (1,900) psi). It has high chemical resistance, low shrinkage and will cure at temperatures above 3 deg. C (37 deg F).

● LIGHTING

Strong lamps for lorries

FILAMENT LAMPS with stronger than usual construction, designed to stand up to pothole shocks and the vibrations imposed on the rear of goods vehicles returning unladen, have been introduced by Associated Lighting.

These heavy duty "Allite" bulbs are competitively priced and are available for most British and foreign commercial vehicles. The complete range includes 12 and 24V stoplight, side, tail and flasher bulbs.

It is claimed that strengthened filaments and a generally more robust construction gives the bulbs a working life of up to five times that of standard products in severe vibration conditions.

More from the company at Lowerhouse, Bollington, Macclesfield, Cheshire SK10 5HR (0625 72270).

THE MARKETING SCENE

The controversy over television programme ratings and cost increases has fuelled advertisers' anger and served to focus agency complaints. Michael Thompson-Noel reports.

A year ITV wants to forget

JUST WHEN the Independent Television contractors in Britain should be walking on eggshell, they seem to have donned diver's boots, stumbling into one of the most acrimonious disputes in their quarter-century history.

On the one hand, European broadcasting is at the start of an era of the greatest upheaval. In Britain alone, the ITV contractors will soon be competing for renewal of their own lucrative franchises. At the same time, the Government is about to introduce its Broadcasting Bill, setting out details for Channel Four, Britain's second commercial television channel. Behind TV4 looms the advent of cable TV and what Sir Harold Wilson described last week as the "*new infiltrators of our domestic peace*" — European television satellites.

Yet it is precisely at this moment, when ITV arguably should be demonstrating the greatest political and commercial sensitivity, when its client relations should be at their apogee, that its customers—advertisers and their agencies—are most loudly dismayed.

ITV has just weathered its most costly half-year. The 11-week technicians' dispute this autumn that blacked out ITV drove at least £70m worth of gross advertising revenue off the air, of which at least £15m went straight to rival media and as much as £30m was lost for good.

Settlement of the strike was followed by a drubbing in the ratings. Although ITV viewing figures are now recovering sharply, ITV's failure to win back large audiences quickly drew howls of protest from the agencies, plus the allegation that its failure to market its programmes adequately since its return fell little short of arrogance.

Finally, proposals by some stations for rate increases and rate-card adjustments next year have generated widespread condemnation.

Ironically, ITV is at present enjoying a record infusion of advertising funds. Strike- and seasonally-influenced demand for airtime means that advertisers are virtually at each other's throats. Nor is there any sign that the boom will start to lose impetus until at least the second quarter of next year.

The ratings debacle, exacerbated by the proposed rate increases, has infuriated agencies and advertisers. There have been demands for rebates and discounts. One agency vice-chairman said last week that he had been "scandalised" by the "cavalier manner" in which one contractor, Thames TV, had sought to introduce its new rate card. And many an agency chairman has privately warned that the most profound effect of the controversy may be a significant re-examination of the way in which advertisers' funds are allocated — even though the glamour and the cost-effectiveness of television advertising is not at present in dispute.

Peter Marsh, chairman of Allen Brady and Marsh, has emerged as one of the most aggressive critics of ITV's current relationship with its clients. Next year, as Europe's fastest-growing major agency, ABM's billings will probably approach

> ***'The contractors appear to have moved away from the business of advertising and into the field of money-collection'***
>
> ***—Peter Marsh***

£50m. Fifty-five per cent of current billings are spent on TV. With Woolworth, ABM says it largely pioneered the mass movement of retailers into television advertising.

"Over the last two years we have sensed a change in the attitude of the TV contractors," says Mr. Marsh. "They are seeking to change their trading relationship—to establish packages of airtime, at a price, so that an agency's role will be diminished. This is very short-sighted.

"The ITV strike provided the most grotesque mishandling of a customer-supplier relationship I have seen in all my years in advertising. Not one letter landed on my desk by way of explanation. The contractors' behaviour was insensitive, discourteous, monopolistic. Members of my staff have been told by contractors: 'Contractors are not interested in clients.' 'Our sales policies are nothing to do with you.' It is the attitude of an East European State towards a mixed economy.

"The contractors appear to have moved away from the business of advertising and into the field of money-collection—look at rate card development and cancellation clauses. We are fighting a system. These are not isolated incidents. The attitude of the contractors is how best to maximise profits and rates of return without having to deal with those termagant agencies. What the contractors do not appear to realise is that there is a groundswell building up that will shape attitudes for the future."

Mr. Marsh emphasises that the aim of his or any other agency is to enjoy a "fruitful partnership" with television or any other medium.

Kenneth Miles, director of the Incorporated Society of British Advertisers, said on Tuesday: "It is not a storm that has suddenly blown up out of a clear blue sky. Recent irritations have simply served to bring things sharply into focus." He reiterated advertisers' and agencies' complaints about ITV's performance on the ratings front. But he said there were two clear strands to the controversy over rates.

"There are the straight increases that are being sought, and there are the specific measures which some of the contractors, notably Thames TV, are seeking to introduce in terms of the structure of their rate cards.

"Advertisers are unhappy about the rate increases, but it is difficult to say very much about increased rates, given the competitive environment. ITV is going out fully sold. Demand is very buoyant. But I think it bad tactics to slam the rates up at the earliest possible moment, given their failure to rebuild audiences quickly."

There is a lot of ill-will over the Thames plan to replace traditional volume discounts with a system of early-payment discounts — in the shape of further airtime, not cash. Mr. Miles has called the scheme "unworkable."

Given the acrimony of the past few months, ITV has adopted a microscopically low profile, although Ronald Miller, *sales director at London Week*end Television and chairman of the ITCA's marketing committee, said this week that ITV's problems in rebuilding its audiences had not been fully appreciated.

"No programme schedule has ever had to be designed to win back an audience that's been missing for 11 weeks. Viewers had had a chance to sample programmes (he quotes Shoestring on BBC-1) that otherwise they would not have looked at. Perhaps we were lulled into a false sense of security, and underestimated some of the BBC's programmes."

Referring to agency complaints about ITV's handling of the dispute, Mr. Miller said: "No-one came in here and talked about value — all they wanted to do was spend money. If anybody has had a problem, I've talked to them and written to them. Not one advertiser has said that this station behaved badly."

Mr. Miller says that LWT's own ratecard proposals for the New Year offer advertisers "a year of stability, a return to much more flexible negotiation," and that LWT's own peak-time viewing figures over the past two weekends were better than those for the same two weekends last year.

> ***'We must look beyond the present two-dimensional broadcasting world and become attuned to the shape of things to come — foreign cultural invasion through satellites.'***
>
> ***—Sir Harold Wilson***

ITV will hope to shake off its programme blues as quickly as possible. But uncertainties over existing ITV-1 franchises remain, to say nothing of TV-4. As if they were not enough, Sir Harold Wilson diverted the House of Commons last week with a brief journey into the broadcasting future.

Sir Harold was talking in a debate on the BBC licence fee. "*We should not confine our*selves to the year ahead or the next two years," he said. "We must consider what will happen to the BBC in the 1980s. That applies to independent television as well. There is a threat to both. It could mean that independent television's revenues are in danger of shrinking to nothing if we do not quickly have a policy to deal with the new infiltrators of our domestic peace. I refer to brodacasting satellites, which could be a real force from 1983 or 1984, building up through the 1980s to full saturation by 1990."

Sir Harold said that the Interim Action Committee for the British Film Authority had received a great deal of evidence on TV satellites and was preparing an interim report for the Secretary of State for Trade. "I understand that France and Luxembourg have given notice of three such satellites that will be in orbit in the early 1980s for a start. Almost every home in Britain will be capable of receiving them, given the necessary apparatus. I understand that all these satellites will be *broadcasting and advertising* in three languages, including English."

The present estimated capital cost of a satellite was £100m. Prospective advertising revenue was £150m per satellite in its first year. Britain had to look beyond the present "two-dimensional broadcasting world and become attuned to the shape of things to come" — a "foreign cultural invasion" via satellite, said the former Prime Minister.

Those figures sound a little up-market. In the U.S., where an almighty scramble has developed as rivals hurl themselves into the technology revolution, RCA (which in any case owns the NBC-TV network), launched a $32m satellite earlier this month to transmit broadcasts for cable TV. It also announced plans to launch its Selectavision videodisc player nationally in early 1981, though at $100m, Selectavision comes a little more expensive.

Even *Sir Harold* cannot forecast precise developments in the broadcasting future. Plans are hazy, revenue potential unknown. But it is because there is so much at stake, both in Europe and at home, that ITV must step warily at present. Given the current state of its customer relations, even a domestic ratings squabble over Mrs. Columbo or Bless Me Father can suddenly sound important. For ITV, 1979 cannot fade back into the ether too quickly.

Saatchi: latest U.S. speculation 'premature'

THE LATEST U.S. advertising agency to have its name paired with that of the British-owned Saatchi and Saatchi Company is Cunningham and Walsh, the 22nd biggest income earner in the Advertising Age list of top U.S. agencies for 1978. Billings at Cunningham and Walsh last year were $222.6m for gross income of $28.9m, which ranks it somewhat bigger than Saatchi's writes Michael Thompson-Noel.

However, talk about a possible tie-up is "considerably premature." Certainly no announcement is timed to coincide with today's annual figures from Saatchi, ahead of which the Saatchi share price has recovered lost ground in recent days.

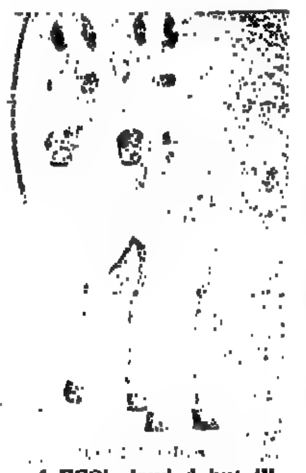
Saatchi has made no secret of the fact that for at least the last six months it has had talks with numerous New York agencies with a view to establishing a foothold in the U.S. However, a recent report that Saatchi was on the brink of securing a deal that would propel it into the Top Ten list in U.S. advertising has caused irritation and embarrassment in Charlotte Street.

The main Saatchi & Saatchi Garland Compton agency, Britain's fourth biggest, handled this year's election advertising for the Conservative Party.

Group pre-tax profits for the year to last September 30 improved by 50 per cent to £1.874m on margins of 3.17 per cent. Further improvement is expected in the current figures. It is not thought that the recent evaporation of billings at the former Saatchi subsidiary, Roe and Partners, will have significantly depressed income.

Cunningham & Walsh formerly owned an interest in the London agency, Geers Gross. Last year Cunningham & Walsh resigned the $10m L&M cigarette account due to an account conflict created by its merger with Post-Keyes-Gardner of Chicago.

DWK billings close to £20m



One of FCO's lauded but ill-starred ads for White Horse Whisky. The £500,000 account has moved to Lonsdales.

DAVID WILLIAMS and Ketchum has landed two impressive accounts: British-American Tobacco's State Express Three Fives King Size and King Size Mild brands, plus Ever Ready Batteries.

Together they may be worth up to £4m—nearly £3m for State Express, perhaps £1m for Ever Ready—though neither company will discuss budgets. (Ever Ready's announcement alone was probably 1979's tersest publicity communication. Its latest MEAL figure was £389,200, some way behind Mallory Batteries' £561,900).

Nonetheless, the gains mark a major coup for David Willliams and Ketchum. Chairman and managing director Tony Scott says that because of the TV strike, billings in the current financial year will probably be pegged at around £12.5m, but that next year they should move to at least £17.5m to £20m.

Its clients include Currys, Japan Airlines, Air Jamaica, Kenco Coffee, United Rum Merchants and the recently-gained, £1.3m plus Skoda car account.

State Express Three Fives was formerly with Allen Brady and Marsh, which resigned the account some months ago. The official explanation: account unprofitability.

Mr. Scott says he has no qualms at all at taking on a cigarette account. "I enjoy smoking, and very firmly believe in free choice."

Current U.S. experience indicates that cigarette sales are teetering on the brink of irreversible sales decline. In Britain, a total ban on cigarette advertising is expected eventually, though not in the lifetime of the present Government.

● **SELFRIDGES**, which previously handled its advertising itself, has moved its £2m-plus account to Michael Robinson and Associates.

● **WHITE HORSE** Distillers has appointed Lonsdales to handle a UK advertising budget worth "well in excess of £0.5m" from January 1. Lonsdales supplants French Cruttenden Osborne, which held the account for five years. According to White Horse advertising manager Alan Ramsey: "Our recent award-winning campaign reflects great credit on FCO's creative talents, but extensive research indicated that the advertising, whilst memorable and visible, was not achieving the desired level of market penetration."

● **SUN ALLIANCE** Insurance Group is running a £200,000 TV test campaign in January on Thames, Southern and Anglia. The agency is Sawards.

IPC chases lost sales

ITS ADVERTISING revenues have boomed this year. But IPC Magazines, which publishes more than 70 titles and is *Britain's biggest magazine pub*lisher, has lost some ground on the circulation front. It is countering those losses with a £3.8m promotional campaign over the first six months of 1980.

The losses were slight, and in any case followed very buoyant sales levels in 1978. They were caused by publishing and pro*duction difficulties* that were exacerbated by the TV strike.

Promotional sums include £1.88m for the group's women's weeklies, £521,500 for the major monthlies, and a total of nearly £650,000 for new launches, including World of Knowledge, a new magazine for children, the first issue of which is due on January 23.

Advertising revenue for the IPC Women's Magazine Group alone is expected to be 35 per cent ahead in the year to next March 31, taking it to more than £45m, and forward bookings, at least until May 1980, are running ahead of this time last year.

LOMBARD

General Motors: must try harder

BY GEOFFREY OWEN

WHAT'S GOOD for General Motors is not always good for Britain. GM's subsidiary in the UK, Vauxhall, has found selling British-made cars in Continental Europe so difficult that it has decided to give up the effort. From the end of 1981 supplies of Vauxhall cars to the eleven main Continental countries will cease. It is not much consolation to know that the UK will continue to be GM's European manufacturing base for commercial vehicles. Fifteen years ago Vauxhall was selling 102,000 cars overseas and 52,000 commercial vehicles; last year the figures were 17,000 and 59,000 respectively.

Duplication

Membership of the EEC does not seem to have done much for Vauxhall's business, except to make it easier to import vehicles and components from GM's continental factories. Both Ford and GM, in pursuit of economies of scale, have sought to eliminate duplication between their European plants; the result is that the UK has lost out, at least as far as cars are concerned.

Of course Vauxhall and Ford are still very large exporters. Ford, in particular, has invested heavily in component manufacture in the UK; the new engine plant in South Wales is one example. Nevertheless, the sourcing decisions of these two companies have contributed to the precipitous decline in British car exports over the 15 years.

It would not be surprising if the owners of Chrysler UK favoured their French factories as the main source of exports for European and other world markets.

It is not enough to say that these companies are responding to normal commercial stimuli, that if it is more profitable to make cars on the Continent rather than in the UK investment is bound to shift in that direction. One of the reasons why investment by U.S. companies is welcomed is the expectation that they will be better at exporting than the average British firm, partly because of their management skill, partly because of their access to a worldwide sales network; in cars the U.S. and the EEC are the two large markets available.

Unfortunately, companies like General Motors and Ford cannot have quite the same commitment to the UK as, for example, BL. In theory BL, Peugeot and Fiat have the same freedom to shift production out of their home countries, but in practice it does not work that way. Their commitment to the home base is not founded on sentiment, but on practical considerations. The top management is there, as are the key design and engineering staff. BL is part of the British industrial fabric in a deeper and more permanent sense than can ever be true of companies which have their headquarters in Detroit or Paris.

The Vauxhall decision illustrates the danger for a country like the UK of relying too heavily on foreign-owned companies, especially in a sector like passenger cars which supports a huge number of component suppliers and sub-contractors.

Commitment

It is a source of strength for the chemical industry that ICI, one of the world leaders, is British-owned. Its growing network of overseas plants does not alter its commitment to the UK. The same applies to Pilkingtons in flat glass. By contrast, look at farm machinery, where the British-owned companies are weak. Without belittling the contribution to exports and employment made by the Canadian-owned Massey-Ferguson, one must regret that, because its British rivals withdrew from the business, it was left as the sole maker of combine harvesters; manufacture of this machine is about to cease, since Massey-Ferguson is concentrating combine harvester production in its French factory.

None of this is an argument for keeping foreigners out or for artificially propping up national companies. The UK has gained far more than it has lost from its liberal policy towards inward investment, while it is very doubtful whether France has gained any benefit from its more restrictive attitude. But it is worth remembering just how vital strong, British-owned companies are to the UK's industrial future.

Now Lord Denning backs a Bill of Rights

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

A BILL of Rights, incorporating the provisions of the European Convention for the Protection of Human Rights and Fundamental Freedoms, was passed by the House of Lords last week. This is a private Bill, introduced some three years ago by Lord Wade (Liberal) and there is no chance that it will be debated in the House of Commons in the present session. Also its further prospects seem slender. On Tuesday, Mrs. Margaret Thatcher, the Prime Minister, expressed doubts whether a Bill of Rights can be reconciled with the supremacy of Parliament. But some of the leading English judges think otherwise. Lord Scarman has been always an ardent supporter of a Bill of Rights. He is now joined by Lord Denning.

Lord Denning thought earlier that one could leave it to English judges to apply those principles of English law which protect fundamental freedoms and that there was no need for special legislation. Earlier this week, he said that he noted a tendency among judges to forget these principles. He was now of the view that the European Convention on Human Rights should be incorporated into English law. There would be then no need to complain in Strasbourg to the European Commission on Human Rights in such cases as the suppressed publication of the report on the thalidomide case and the present complaint of the Association of Scientific, Technical and Managerial Staffs in connection with the closed shop. If the Convention were to be part of English law, English judges could apply it in English courts.

Delivering the inaugural Lord Fletcher Lecture organised by the European Group of the Law Society, on December 10, Lord Denning spoke about the influence of European law on English law. It soon became evident that, as far as Community law was concerned, he felt that there was rather too much of it. In 1974 in the first Court of Appeal judgment which took EEC law into account Lord Denning compared this law to "the incoming tide which fills our estuaries and flows up the rivers . . ." Now, in 1979, he thinks it is somewhat more than an incoming tide: "It breaks the banks" are the words he used on Monday. The European Court had a way of dealing with words which he obviously did not like.

Words are the stuff laws are made of and they suffer remarkable adventures in the lawyer's mouth. An example of this is the judgment delivered by the Court of Appeal on December 10th in the case* of the 1,500 smuggled Krugerrands. It appears that for the £300,000 worth of gold, now forfeited, three smugglers, received quite a bit of legal education both in English courts and in Luxembourg. This education started in the Canterbury Crown Court to which they were brought by the customs officials who discovered the 1,500 Krugerrands stuffed in a spare tyre of their car when they landed in Felixstowe. They were charged with "a fraudulent evasion of the prohibition on importing Krugerrands and with conspiracy to evade the prohibition on exporting silver coins minted in the UK." They submitted that such prohibitions were invalidated by the EEC Treaty which provides for free circulation of goods. Though the Canterbury court refused to refer the matter to Luxembourg, the Criminal Division of the Appeal Court did so.

The European Court held that Krugerrands were not really goods in the meaning of Article 30 of the EEC Treaty. Such gold coins, which are produced in a non-member country but which circulate freely within a member State, must be regarded, said the European Court, as means of monetary transfers which come into a different category. On the strength of this preliminary hearing, the Criminal Division of the Court of Appeal was able to decide against the smugglers. As Krugerrands were not "goods," the prohibition to import them stood, and the smugglers were fined a total of £15,000 plus costs. That, however, was not the end of the story. The Commissioners of Customs and Excise wanted also to keep the Krugerrands. They said they were entitled to do so by the Customs and Excise Act 1952 which provided that any goods which were concealed with the intention of deceiving customs officers were to be forfeited. But were they? The Act spoke of "goods" and Krugerrands were declared to be "non-goods" in Luxembourg.

At this stage, the possession of the Krugerrands was no longer sought by the smugglers but by the German company which had sold them. The Allgemeine Gold-und-Silberscheidenanstalt came to court and claimed that the smugglers gave them dud cheques for the Krugerrands before they stuffed them in the tyre, and that the Krugerrands were theirs. They asked that the Krugerrands be returned to them as the innocent owners. Lord Denning held that, when goods were forfeited and the true owner subsequently turned up, the customs authorities had discretion and could return them. The Court could be concerned only with the question whether customs officers were entitled to forfeit the Krugerrands in the first place. Mr. L. Blom-Cooper QC, who appeared for the German company, argued that Krugerrands were not "goods" within Section 44 of the Customs and Excise Act because the European Court had virtually held that they were not "goods" for their purposes. He suggested further that the Exchange Control Act of 1947 has taken gold and silver, bullion and coins out of the hands of the customs authorities and put it into the hands of the Treasury, and that to forfeit the Krugerrands when the German company was the true owner would be contrary to the European Convention of Human Rights and International law.

However, the three Appeal Court judges decided otherwise. They concluded that the decision in Luxembourg, that Krugerrands are not goods within the meaning of Article 30 of the EEC Treaty, has nothing to do with their classification as goods within the meaning of Section 44 of the Customs and Excise Act. Indeed, while this speaks only of imported "goods" previous Acts, from 1833 to 1939, made it clear that the word "goods" did include gold, silver, coins and bullion. The decision of the European Court that Krugerrands were capital merely meant, according to Sir David Cairns, one of the Appeal judges, that they were not "goods" to which Articles 30 to 37 of the EEC Treaty applied and not that they were not goods at all. The customs authorities were allowed to keep the gold.

* * *

One might ask whether all this fuss was really necessary. It is clear to everybody that the EEC Treaty was not concluded to protect smugglers. If the Commission or any member government thought that the British prohibition of imports of Krugerrands was contrary to the Treaty, they had plenty of other means of saying so and, if necessary, could have brought the matter before the European Court. Nor does this seem to be the only unnecessary reference. The European Court is now considering the confiscation by the UK Customs of some really nasty pornographic films.**

It seems hardly necessary to trouble the nine judges in Luxembourg, in order to say that the confiscation was not a disguised discrimination against Dutch pornographers in favour of British pornographers. Another such unnecessary reference concerns the expulsion from the UK of a man who was sentenced for rape. How the EEC freedom of movement for workers could protect him escapes me.

* *Allgemeine Gold-und-Silberscheidenanstalt v Customs and Excise Commissioners, TLR December 10, 1979.*

** *European Court, Case No. 34/79, unreported.*

Bumper programme at Ascot

RACING

BY DOMINIC WIGAN

RACING enthusiasts have a top-class programme in prospect at Ascot on Saturday and all being well, the country's leading flat-national Hunt course will attract a bumper card.

The most interesting aspect of the card at present is the fact three top class performers—Midnight Court, Venture to Cognac and Grand Canyon will be bidding to underline the fact they could all play prominent roles at Cheltenham next March.

Despite Midnight Court's moderate display at Huntingdon, where Fred Winter felt his charge was sufficiently well forward to make a winning return, the 1977 Gold Cup winner remains joint favourite with Ireland's Jack of Trumps for the March 13 renewal of National Hunt racing's most classic prize.

With only a few conditions races for top-class chasers available, Winter has decided, understandably, to let Midnight Court have a freshener in the three-and-a-quarter-mile Long Walk Hurdle, rather than making the eight-year-old (whose legs gave concern last season) give lumps of weight away all round in a modest handicap.

Venture to Cognac who would, surely, have won easily at Lingfield but for a blunder which gave Oliver Sherwood no chance of staying on, goes for the Killiney Novices Chase. Irrespective of whether Western Rose is in opposition, I expect Venture to Cognac to win with the minimum of fuss.

An 11 a.m. course inspection at Carlisle by Mr. Kit Paterson, clerk of the course, yesterday decided today's programme could not go ahead due to waterlogging.

However, conditions look set fair for Uttoxeter, where Reldis, who surprised David Gandolfo when winning with ease at Taunton a week ago, can supplement that success by taking the opener. Half an hour later, Blue Braes with a long trip and the testing conditions he relishes, is suggested with confidence for the Rocester Novices' Chase.

UTTOXETER

1.00 Reldis**
1.30 Blue Braes***
2.00 Sandra Bella
2.30 Celtic Isle*
3.00 Heighway
3.30 First Anniversary

TV/Radio

BBC 1

† Indicates programmes in black and white

12.45 pm News. 1.00 Pebble Mill at One from HMS Dreadnought. 1.45 The Flumps. 3.53 Regional News for England (except London). 3.55 Play School (As BBC-2 11.00 am). 4.20 Deputy Dawg. 4.25 Jackanory with John Grant. 4.40 Screen Test. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Ivor the Engine.

5.40 News
5.55 Nationwide (London and South East only)
6.20 Nationwide
6.55 Tomorrow's World
7.20 Top of the Pops
7.55 Blankety Blank
8.30 The Dawson Watch
9.00 News
9.25 Play for Today
10.35 International Show Jumping
11.15 Platform One
11.45-11.55 News

All regions as BBC-1 except at the following times:

Wales—5.55 pm Wales Today. 6.55 Heddiw. Topical magazine. 11.15 The Colliers' Crusade. 11.45 News and Weather for Wales.

Scotland—12.40 pm The Scottish News. 5.55 Reporting Scotland. 11.15 Current Account. 11.45 News and Weather for Scotland.

Northern Ireland — 3.53 pm Northern Ireland News. 5.55 Scene Around Six. 6.55 Sportsweek. 11.45 News. 11.49 Tomorrow's World. 12.14 am News and Weather for Northern Ireland.

England—5.55 pm Look East (Norwich), Look North (Leeds, Manchester, Newcastle), Midlands Today (Birmingham), Nationwide (London and South East), Points West (Bristol), South Today (Southampton), Spotlight South West (Plymouth).

BBC 2

11.00 am Play School
4.50-5.30 pm Open University
4.50 S101 Preparatory Mathematics—Angles
5.05 Seeing Through Drawings
5.40 Laurel and Hardy in "Our Wife"
5.55 George Formby in "Turned Out Nice Again"
7.15 Mid-Evening News
7.25 Newsweek
8.00 Maestro
8.30 Premiere
9.00 Kelly Monteith
9.30 Diamonds in the Sky
10.20 Richard Stilgoe
10.45 The White, the Black, and the Purple
11.20 Late News
11.35-11.45 Closedown reading

LONDON

ANGLIA

ATV

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

Radio Wavelengths

RADIO 1

RADIO 2

RADIO 3

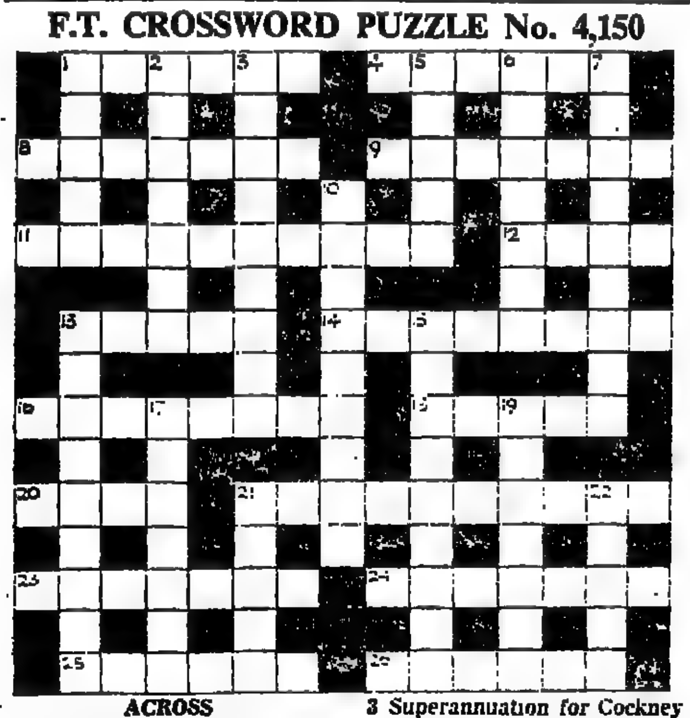
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 4,150



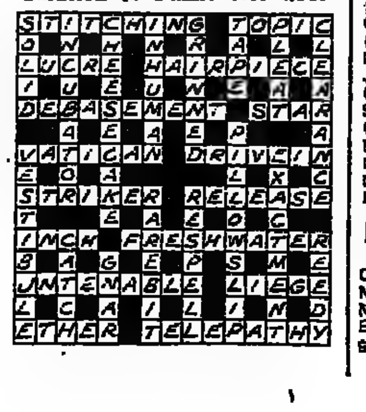
ACROSS

1 Cross-check (2, 4)
4 Happen to be autumn (6)
8 I like this drink a lot with one form of element (7)
9 Economical health resort joins combine (7)
11 Descend to the spring and be favourably received (2, 4, 4)
12 Quarry before end of day (4)
13 Amusement soldier gets from plants (5)
14 Flattery could make people come clean (4, 4)
16 Letting premium lead to solution necessary (3, 5)
18 A deficiency unfortunately (5)
20 River that became the noble Avon (4)
21 Game area where we complain to a greater degree by the sound of it (6, 4)
23 He's entitled to stop one going to the East-end (7)
24 Get up that is suitable for policeman abroad (7)
25 Whirled round press boss and departed (6)
26 Engineers hint brought release (6)

DOWN

1 Hard blow has nothing to generate enthusiasm (5)
2 Put on after all other clothes exhausted (7)
3 Superannuation for Cockney female as a boarder (2, 7)
5 Turn out to make schoolboy prematurely old (5)
6 A supporter is so upset concerning . . . (7)
7 . . . soldier having to perform surgery on sailor (5-4)
10 Contemptible crowd spotted by chance (6, 3)
13 Bird sees how all the runners get on (9)
15 It helps pave the way to establish character of the emblems (9)
17 Root for chap winning first Olympic medal (7)
19 A Liberal master can turn up in year book (7)
21 Gosh — south-eastern birds (5)
22 Girl with a heart of stone (5)

Solution to Puzzle No. 4,149



THE ARTS

Record Review

In a spin

by KEVIN HENRIQUES

Events of the past year have *proved conclusively that the* record business is in "a terrible state of chassis." The *widely publicised* financial troubles of the EMI and Decca giants were only a partial manifestation of the malaise besetting this once high-profit-making industry. Seemingly panic-stricken, it is floundering in all directions seeking a remedy for its ills. The search is on for some magic formula so that the golden days might return. At the moment, it is clear the industry feels that new recording techniques will provide one answer.

In his November 22 record review on this page, Dominic Gill examined carefully the pros and cons of digital and direct-*cut recording as far as classical* music is concerned, and his comments apply equally to jazz which has not been unaffected by the new technology. In May, EMI brought out its first digitally recorded 12-inch single, "Love Don't Live Here Anymore," coupled with "Don't You Worry" (12DIG 1001) featuring jazz musicians Dick Morrissey (tenor-sax) and Jim Mullen (guitar). This was *merely 10 minutes or so of well-*recorded, throbbingly forgettable, rhythmically constricted music retailing exorbitantly at £1.99.

At the same time, on the Harvest label (SHSP 4098), EMI released *Cape Wrath*, an album of now fashionable "fusion" music, also by Morrissey/Mullen. This was distinguished by a blandness and lack of commitment sad to hear from two normally vigorous jazzmen. Significantly, the technical detail on the sleeve, meaningless to most buyers, far exceeded the information about the music or musicians.

These two releases illustrate the apparent madness of the record industry which pours money and modern sophisticated technical resources into the production of an album, but which neglects to apply similar *drive or attention to* the artistic content. It is this last consideration which will finally sway jazz fans at least to buy a record or, more importantly, to invest their money in new equipment. In *this connection it has to be* reported that many jazz record collectors have yet to buy *headphones. But these are* almost essential for binaural, or dummy head, recordings.

Like direct cut, binaural is not a new technique. During this year two jazz albums by this method and taken from concerts at last year's Chichester Jazz Festival, were released by a new company, Magnus.

On *Humphrey's About* (Magnus 1) there are inevitably unsatisfactory passages when *the music is played through* ordinary stereo equipment without headphones, but with them the effect is generally good. Most satisfying item of all, despite the guest appearance *on several* tracks of veteran tenor-saxist Bud Freeman, is the five-man front line version of "On Treasure Island," full of bobbing, weaving contrapuntal interplay.

The *highly* percussive *jazz/* rock group Paz is heard on Magnus 2 and here the binaural *method seems more successful* even without headphones. Inside the Chichester Festival Theatre last year saxist Ray Warleigh seemed hopelessly swamped by the Latin American percussion and the general electrics but on disc the balance is much superior. Overall, though, the LP confirms the opinion formed after several live auditions of Paz that their music is clever but lacking in human heat.

After listening to records produced via the wonders of modern technology which may have a long way to go before the inevitable revolution in listening habits occurs, it is salutary to turn to an "old fashioned" mono recording which is now being paraded as *the "new" direct cut technique.* Ironically EMI, through its World Records outlet, is ever-busy turning out re-re-releases of pre-stereo records. Listening to one of the latest packages, *Happy Days Are Here Again* (World Records SH 337), 20 tracks of unashamed nostalgia recalling some catchy hits of the 1930s, comes the clear and positive confirmation that recording techniques have improved. But it is not being nostalgic and cloth-eared to contend that quite a few of the tracks here by such time-enduring bands as those of Jack Hylton, Ambrose, Roy Fox and Harry Roy, stand up well to the passing of the years. All 20 have vocals and there are even some fragments of "hot" *jazz to keep the serious-minded* fan happy.

After a mono disc turn to a *well-produced stereo album* to realise again that a good recorded-by-tape performance, well pressed and heard through normal equipment still takes a lot of beating. For instance, the transfer to disc of Mike Westbrook's jazz/cabaret *Mama Chicago* (RCA 25252) brings a new insight and dimension to a work which, when I first heard it earlier this year in the un-cabaret-like atmosphere of the *Venue at Victoria, was acutely* disappointing.

Such an ambitious project, *where words are as important* as the music, deserves the care and attention a good recording can provide. (Significantly, perhaps, this was made in Germany.)

Certainly the harshness of city life in gangster-ridden Chicago registers more vividly on the LP where the hard, cynical lyrics are delivered with intense fervour and conviction by Phil Minton and Kate Westbrook. Also the inclusion of the words on the sleeve of the double-album aids enormously to proper appreciation of the work.

Top recording quality too for a well-nigh perfect piece of duo guitar *playing on After Hours* (JTC Records, JTC-1, distributed by Wave Records) by Martin Taylor and Ike Isaacs. In age separated by 37 years the two mutually sparking musicians show no generation gap in their musical interpretation of nine standards, plus an Isaacs original to which they bring much empathy, lots of clever interaction, exquisite care and devotion.

These last two qualities are applicable to a middle-of-the-road album somehow appropriate for this time of the year. *Braff Plays Bing, Vol. 1* (Pizza 5501) on which the superb jazz cornettist Ruby Braff brings characteristic Crosby-relaxation to 12 tunes associated with the crooner who always had a deep jazz allegiance. Impeccable strings and accompaniment from Neil Richardson.

Edward Byles as Vitek, Elisabeth Söderström as Emilia Marty, Thomas Hemsley as Dr. Kolonaty, Mark Hamilton as Albert Gregor and Helen Field as Kristina in the Welsh National Opera's new co-production with the Scottish Opera of Janacek's The Makropoulos Case

Dominion Theatre

The Makropoulos Case

by DAVID MURRAY

The Welsh National Opera's account of this Janacek masterpiece has been admired in our pages before, but Tuesday night's performance was a signal occasion. It opened their *first London season for many* years, under the sponsorship of Amoco UK—a piece of inspired generosity which is promised for the next four years, too, bringing us the W.N.O. and foreign opera companies in alteration.

The company rose triumphantly to the test; on the *strength of their eminently* deserved reception, they could fill the Dominion Theatre for a *good part of every year.*

The lack of a sunken orchestra pit there is a disadvantage, but not a crippling one. Richard Armstrong, the company's invaluable musical director, led an uncompromisingly full-blooded performance (rich in substleties, too: the first chill intimations of the heroine's mortal weariness in Act 2 were perfectly calculated), and yet the vocal music, words included, *was very rarely* covered—little more than in a purpose-built auditorium. If that required heroic efforts by the cast, there was no evident strain. True, *Elisabeth Söderström's heroine* was fading by the end (but always at true pitch); since the *lady in question is expiring at* the age of 339, dramatic verisimilitude was unimpaired.

Even for the sake of Janacek's ecstatic soprano line in that swan song, I should be ashamed to ask more of Miss Söderström than the complete and moving incarnation she offered. The role is so strong — mercurial, sardonic, contemptuously dominant, wretched at heart — that a merely competent artist can *be imposing in it, and a really* creative one can plumb it indefinitely. Miss Söderström was marvellously suggestive, with strict and beautiful economy of gesture; her splendid recent recording of the opera ought to come with a video-cassette. She revealed a continuous, developing dramatic line in Act 2, to *mesmeric and memorable effect.* Technical trials like the awkwardly abrupt drunk scene *in the last act, where every* soprano I have seen in the role has stumbled, were child's play to her.

She was admirably supported. Thomas Hemsley's Dr. Kolonaty was a tower of blinkered strength, toughly and exactly sung; Julian Moyle, without the full weight of tone Baron Prus might ideally have, was not found wanting at any dramatic juncture. Nigel Douglas remained stylishly on *the right side of caricature as* the senile ex-lover. There were unusually detailed performances by Edward Byles and Helen Field as the old clerk and his mousily brave daughter; a courageous sketch of young Gregor's high-lying music by Mark Hamilton, and a touchingly dim young heir from Arthur Davies.

David Pountney's production, alive with intelligence and vivid detail, looked excellent in Maria Bjornson's visionary set, with a hard, bright light of *eternity glinting through dusty* rooms. The WNO are not mere provincial visitors, but a company which set fresh standards for opera in Britain.

Elizabeth Hall

Juilliard Quartet

by ANDREW CLEMENTS

The worst trauma that can afflict a finely honed string quartet is a change of personnel. New players bed down only gradually into the interpretations and style of an established group. The leader, Robert Mann, is now all that remains of the original, pioneering Juilliard Quartet, yet the present *line-up* appears settled and, on the evidence of Tuesday night's *recital, thoroughly integrated.* More integrated too these days is the Julliard's Mozart. Two years ago they visited London with three recitals devoted to the great Mozart string quartets: patchy performances, one remembers, inconsistent in tone and intonation, flecked with idiosyncracy.

They began last night with the A major quartet K 464, its structure seemingly instinctively *controlled, the beginning of the* first movement's development section almost unconsciously *more focused* than the preceding material. A few jagged *sforzandos* in the trio of the *minuet were the only reminders* of the familiar old mannerisms; surfaces too were faultlessly *svelte.*

A generally lean tone and clear, precise contours have long made the Juilliard the most exemplary guides through the quartets of the Second Viennese School. A performance of Berg's Op. 3 — hard to believe that its inclusion was the only reason for the hall's being half filled — was true to their colours. One can imagine quite easily performances more *overtly affectionate, more ready* to relax, but few with such incisive rhythmic grasp (in itself not always an advantage in a work of such subtle ebb and flow) or such literal textural effects. Smetana's First Quartet completed the evening: unhappy in the first movement, Mr. Mann's violin momentarily *losing its sweetness, most* effective in the *Largo sostenuto*, its twin climaxes retaining both *shape and intensity.*

New York, Metropolitan

Mahagonny

by ANDREW PORTER

The Metropolitan Opera's *latest production is of Kurt* Weill's *Rise and Fall of the City of Mahagonny*, given in *the* English version *(somewhat* revised) that David Drew and Michael Geliot made for Sadler's Wells in 1963. James Levine conducts, John Dexter produces, and Jocelyn Herbert designs—the same team that put on the recent *Entführung*.

As in that production, the Met stage is built out over the orchestra pit and into the house (and once again the prompter's box, evidently *immovable, pokes out from the* stage floor about 10 ft in). But where the *Entführung* had a light, bright setting, *Mahagonny* plays before backcloth and wings of funereal black, relieved only by the Brechtian *Gardine*, or white half-curtain, swishing to and fro on its wire.

It is a production staged to *the textbook Brechtian recipe*, but executed without distinction or imagination, and ineffective in the vast expanses of the Met.

When the singers are well forward, their voices carry; when they retreat into the open set, much of the sound is lost. (In Ming Cho Lee's similarly open "Boris" scenery, Martti *Talvela's voice does not sound* large.) Several of the cast are elderly, and Mr. Levine keeps his *orchestra down—so* the result lacks the vividness that has marked every other *Mahagonny* of my experience.

On the first night, this exciting and beautiful opera made a curiously tame effect. Mr. *Levine's experience with Mahler* (he has now recorded six of the symphonies, and plans to com*plete his "cycle" soon) should* have led him surely into "Mahagonny," but the marches lacked weight and force, and the lyricism of the score was not ardently sounded. *Yet where* the tight, crisp approach *was* needed, in the band music of the fighting scene, *Mr. Levine* seemed oddly relaxed.

Teresa Stratas is Jenny. She *is an intelligent and attractive* artist, and does the role well, but her voice *is rather small for the huge house. Still, it is* an operatically trained voice, and so it was disappointing that *she* sang not the original operatic setting of "Ach, bedenken sie" but the cabaret setting Weill devised for Lotte *Lenya* when *she* did Jenny in the 1931 Berlin production. Richard Cassilly brings intensity and power to *Jimmy* Mahoney, but his timbre is often disagreeable. Astrid Varnay is a feeble Begbick; the voice is a wreck. Ragnar Ulfung is Fatty, and Cornell MacNeil is Trinity Moses, and neither is particularly effective. But another veteran, Arturo Sergi (that shining Lohengrin *when Hamburg came to Sadler's* Wells in 1962) is a bright, forward Jacob Schmidt.

At *Sadler's Wells,* when Ronald Dowd's Jimmy went berserk with a knife, towards the close of Act I, everyone on the stage seemed to be in danger. Here, Mr. Dexter's direction is so tame and unpointed that the episode makes little effect. A colleague remarked wryly that Mr. Dexter doing nothing *is at any* rate preferable to Mr. Dexter trying to do something with an opera; but *Mahagonny has an imper*fect libretto and its shape, progress; and sense need to be defined more acutely than they are in this staging.

The textual decisions, in this opera where many must be taken, do not help. I have mentioned *Jenny's* "Ach, bedenken sie." The Act-of-Love scene is weakened by the interpolation *of the Cranes Duet—something* Weill sanctioned only until such time as theatres had the "courage" to discard it, or possibly (as he suggested, and as Sadler's Wells did) move it to Act III. "Benares," one of the most difficult numbers to fit in (it was taken over from the plotless little *Mahagonny* "Songspiel" composed "to test the musical idiom envisioned for the full-scale opera") was given *the prominence of an individual* scene. In 1931, and in the Brecht text, it was simply omitted. But it is good and apt music, and David Drew's suggestion that it should be played as a coda to the trial is surely the one to follow.

This *Mahagonny* is likely to improve. On the first night, everyone seemed too inhibited, too respectful. The musical roots of *Mahagonny* are in Mozart, Wagner, and Mahler—three composers whom Mr. Levine understands. I hope that *later in the season I can add a* more cheerful postscript to this review.

At a *Sunday-night benefit* concert, the excellence of the Met orchestra—New York's better full-time orchestra, for the Philharmonic under Zubin Mehta does not play well—were on show when it was lifted out of the pit. James Levine conducted the *Tannhäuser* overture-and-bacchanale and Elisabeth's *Greeting*, the *Götterdämmerung* Funeral March and Immolation Scene, and the *Salome* Seven-Veils Dance and finale.

Birgit Nilsson was the vocalist —her first New York appearance in several years. (She had a disagreement with the Internal Revenue Service; now it's been patched up, and later in the season she sings Elektra.) Miss Nilsson is the same age as Miss Varnay (61, if we're being *unchivalrous*), *but her voice* was as loud, as heroically imposing, as ever. Her old failing, inaccuracy of pitch, had, however, become less occasional. And when that brilliant, unwavering, tremendous beam of sound is misdirected, one notices. Mr. Levine's funeral march was tremendous. Its *weight, grandeur, and vitality* make one eager for the *Ring* that must surely be in preparation.

Astrid Varnay as Leocadia Begbick in Weill's Rise and Fall of the City of Mahagonny

Bush

Wilfred

I do not know the "Brandon" novels by Peter Tinniswood but those who do will no doubt recognise Hallam Brandon, a self-obsessed fantasist whose prospect of another lonely Christmas is transformed by both his imagination and the apparent reality of his mother *and his girlfriend.* Wilfred is a large black invisible poodle whose incontinent activities in the wardrobe and on the lounge carpet are driving Hallam insane but extending his relationship with Shirley, who is too silent and distracted herself to notice the widening gap.

As an exercise in manipulated fantasy, Mr. Tinniswood's writing is continuously fresh *and surprising*, each revelation and trick feeding into the overall picture of Hallam, the *disgruntled charity* organiser of independent means, turning his back on the world. At one point, Hallam becomes Wilfred, describing how he was spotted in a Willesden pet shop. Philip Jackson, who has *previously* squeezed Hallam dry with his expressive moon face and *devastatingly flat delivery,* suddenly leaps on the sofa muttering foul language, panting in *undisguised mockery* of his master and scratching himself red raw. It is a delicious *moment.*

Hallam's mother too has an invisible dog, as it were, in the *shape of her new* boyfriend Ernest, whom we never see but who is nevertheless real; a *grumbling accomplice* in mother's ceaseless performance of chatter, he suffers from piles and chews his cardigan. With an imagined dog and an invisible adult, the play could easily have drifted away into inconsequential oblivion. But it does not, and Mike Bradwell's production keeps a firm grip. Mr. Jackson is well supported by Heather Tobias as Shirley and the hilariously overdone Anne Dyson as mother.

MICHAEL COVENEY

Arts Council jazz bursaries

The Arts Council has approved 17 jazz bursaries of between £280 and £1,430. These were selected by the jazz sub-committee of the Council's music advisory panel from more than 60 applicants.

Bursaries for jazz and improvising musicians were first awarded by the Arts Council in 1967, since when approximately 120 awards have been made to over 80 jazz musicians.

Among recipients are Keith Bailey, Stephen Beresford, Brian Smith, Roger Cawkwell, Roger Dean, Peter Hurt, David Macrae and Frank Roberts.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871, 883897

Telephone: 01-248 8000

Thursday December 13 1979

New cast in Ireland

THE POLITICAL map of Ireland suddenly looks quite different, at least in terms of personalities. The most dramatic of the changes was the resignation of Mr. Jack Lynch as Irish Prime Minister and his replacement by Mr. Charles Haughey.

In the wider context of Irish affairs, however, Mr. John Home has succeeded Mr. Gerry Fitt as leader of Ulster's Social and Democratic Labour Party (SDLP), and Mr. Humphrey Atkins has scarcely been Secretary of State for Northern Ireland long enough to be regarded as anything more than a freshman. Even on the security level changes are under way: Sir Kenneth Newman, who has done the State some service, will cease to be head of the Royal Ulster Constabulary at the end of the year, while there will also be a new commander of the armed forces.

Contrast

Yet it is the election of Mr. Haughey which gives most pause for thought. Over the years Mr. Lynch had developed into a likeable even lovable figure who, it was thought, could be trusted. He might have been infuriatingly vague at times, but it was generally recognised by those who dealt with him that he was doing the best he could both for Ireland and for Anglo-Irish relations: the two are not always seen as common causes. His relationship with Mrs. Margaret Thatcher appeared to be particularly promising.

Mr. Haughey, by contrast, is an adventurer. He has not been given to denunciations of the Provisional IRA and has been suspected of sympathising with it. He is much more identified than Mr. Lynch with the demand for a united Ireland and the call for a declaration of intent on the withdrawal of British troops from the north, though both are in fact party policy. There is no obvious reason to think that he has much love for Britain.

Economy

There are other ways, however, in which Mr. Haughey's qualities might be more appropriate to the task ahead. Mr. Lynch's downfall seems to have come about largely because of the political unpopularity caused by the state of the economy. So much was manifest in the Government's disastrous showing in the by-elections in Cork a few weeks ago. The problems are those of a high and rising rate of inflation and an inefficient tax system. Mr. Haughey is a former finance minister who has also shown flair as an entrepreneur. Not least, he believes in the kind of open economy which has done so much for the Irish growth rate. A Prime Minister who now gave priority to restoring a measure of economic stability would be welcome. Mr. Haughey could be strong enough to try, and able enough to succeed.

It is also notable that while there have naturally been Cabinet changes, he appears to be acting in a spirit of conciliation. Mr. Haughey's oldest rival for the leadership, for example, was Mr. George Colley, yet Mr. Colley remains on the front bench. The switching of Mr. Michael O'Kennedy from foreign affairs to finance may be a way of saying thank you for his support in the leadership election, but is none the worse for that. All in all, it is not a bad team.

Violence

If doubts remain, as indeed they must, about Mr. Haughey's attitude to the Irish question, there is perhaps one consoling fact. It has become increasingly clear over the past year or two that the activities of the Provisional IRA present at least as great a threat to the Irish Republic as they do to the north or to Britain. A continuation of the violence, even only in the form of the bank robberies which are now an every day occurrence, could undermine the economic and social progress which the Republic has made in the past two decades. Mr. Haughey is too intelligent a man not to recognise that possibility.

The need to maintain the dialogue between London and Dublin and to encourage where possible a dialogue between Dublin and Ulster is as great as ever. The dialogue may take new forms, as would befit a new cast of characters. But if all of them recognise the dangers posed by the IRA, the change may not have been for the worse.

Participation in industry

THE GOVERNMENT, as expected, has decided to discontinue the worker director experiment in the Post Office, mainly on the grounds that the management and a majority of the independent members of the Board felt that the scheme was not doing any good. The decision is resented by the trade unions concerned, but there is little point in compelling the executives to operate a system in which they do not believe. The hope must be that the management and unions can reach agreement on alternative arrangements which will genuinely extend employee involvement in Post Office decisions. For while legislative compulsion is inappropriate in this field, there is a need for movement and experiment, in the public as well as in the private sector.

Aspirations

This need is reinforced in a survey published yesterday by the Anglo-German Foundation, which throws useful light on what people in industry actually want in the way of greater participation. The survey, which included a detailed inquiry among companies in the metal manufacturing and service industries, shows that the amount of involvement in decision-making at work is "astonishingly low."

The survey also suggests that people's aspirations for greater involvement are quite modest. Workers want to increase their influence over decisions which affect their jobs from "being informed beforehand" to "giving their opinions." They do not go so far as to ask that these opinions should be taken into account. While there was wide agreement among those questioned that greater employee participation would lead to better decisions, the preference was for an evolutionary improvement, not a dramatic change in the hierarchical decision-making pattern.

Middle managers

The employees who felt themselves most hardly done by were the middle managers. A very great difference in involvement clearly exists between them and top management. Too often the middle manager is the forgotten man of British industry, with too little authority over the people below him and too little trust from his superiors. It is not surprising that more of them have turned to trade unions to protect their interests.

Lower down in the hierarchy it is clear from the survey of metal manufacturing companies that the main problem is not so much lack of involvement as plain mismanagement. The poor flow of information, low levels of forward planning and a lack of clear job descriptions have all contributed to the stresses and strains in the metal manufacturing sector. This sector also experiences a more marked physical separation of senior management from the workplace and less stability in organisation.

The extent to which incompetent management is responsible for bad industrial relations in a plant is often underestimated. If the purchasing and production departments are so badly run that employees cannot rely on a regular flow of work, an elaborate system of worker participation is not only irrelevant, but may make matters worse, because it will distract management from the real causes of discontent.

Board function

As for worker directors, 72 per cent of the survey respondents thought that employee representation on boards was desirable. Although the preference was most marked among shop floor workers, more than half of the top management and nearly two-thirds of the middle managers favoured employee directors. However, the survey also revealed considerable ignorance about the function of the board of directors. It was commonly thought that matters such as wage rates and working hours were decided at board level.

These misunderstandings among workers about decision-making in their companies should be taken seriously by employers. Moreover the survey shows little difference either in attitude or in extent of involvement between small and large plants. The fact that most workers do not want to change the balance of power in industry must not be regarded by companies as an excuse for inactivity. The level of communication and participation remains grossly inadequate. The Government, while steering clear of legislation, should use its influence to bring about an improvement.

Full steam ahead for the 'British PWR'

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN, HAVING failed to develop a satisfactory alternative nuclear reactor of its own, is to license a foreign design for full-scale demonstration under British operating and safety conditions. This will be confirmed by the Government any day now, when Mr. David Howell, Secretary for Energy, formally gives the electricity supply industry approval to proceed with a new 1,100-megawatt nuclear power station. The project has several features, however, which will be hotly contested in some quarters.

Britain's primary need for nuclear reactors is to ensure that the country continues to enjoy reliable, low-priced supplies of electricity round-the-clock. British coal, its dominant fuel for electricity, cannot in the view of the Government be relied upon to fulfil the role adequately in the decades ahead. A second reason for being in the nuclear reactor manufacturing business is that it gives Britain the opportunity of re-entering the reactor export market it pioneered in the 1950s, with sales to Italy and Japan.

The Government's problem is that the reactor Britain itself has developed—the advanced gas-cooled reactor (AGR)—has proved troublesome to build to the very high standards demanded by the nuclear safety authorities. Under British nuclear regulations, a reactor must satisfy the health and safety authorities of both its operator—the culpable party in law if things go wrong—and the Government. The AGR, at least in its present form, is an engineering product which largely must be assembled on the construction site, where it is far more difficult to maintain standards of cleanliness and engineering integrity. This is rather like trying to build jet engines in an airport hanger.

The reactor Britain plans to import as an alternative to the AGR is the pressurised water reactor (PWR). It was developed originally, both in the U.S. and the Soviet Union, as a compact nuclear power-plant for submarines. Britain itself licensed the U.S. submarine design for its nuclear Navy in the late 1950s and is now building its second naval PWR on-shore in Scotland, for trials and training. Both the U.S. and the Soviet Union went on to design much larger versions for nuclear power stations, and these produce electricity today in at least 14 countries. (No other country has tried to build an AGR. The performance of the world's PWRs surpasses that of any other type of reactor, with the possible exception of Canada's handful of Candu reactors.

For the past two years, since the Labour Government approved Central Electricity Generating Board plans to investigate the PWR as an alternative to the AGR, Britain's nuclear industry has been planning a 1,100 MW PWR station, using twin 660 MW turbo-generator units. A team of 70-80 directed by Mr. Reg Flint of the National Nuclear Corporation has been working on an anglicised version of the U.S. nuclear plant called Trojan, sited in Oregon, and designed by Westinghouse Electric.

But as Westinghouse sees it, Mr. Flint has been designing his station "round a black box" — the reactor. What precisely goes into that black box, and how it is made, is the proprietary secret of Westinghouse, no less than the details and engineering nuances of the aero-engines Rolls-Royce exports to the U.S. remain the property of the maker.

In 1976 Westinghouse disclosed some information to Britain, under a licence agreement the National Nuclear Corporation—with the Labour Government's approval—had begun to negotiate. The Government's own nuclear inspectors needed those details to advise whether the PWR could, in principle, be designed to meet British standards of public health and safety.

'Too little data' problem

In 1977 the nuclear inspectors of the Health and Safety Executive, advised the Government that they could find "no fundamental reason for regarding safety as an obstacle to choosing the PWR for a British power station." But they added that there were aspects on which they had too little data to make final conclusions: and others "where more work would lead to greater confidence." The CEGB itself expects to introduce certain features not always seen as necessary by other PWR operators, including considerably more back-up in the auxiliary systems and electrical supplies to guard against failure, and more elaborate precautions to protect power station workers from radiation.

But one safety feature of the latest AGRs which it may find hard to repeat for the PWR is a requirement that, if the reactor seems to be running amok, its operators need take no action for 30 minutes—can just sit back and think, secure in the knowledge that it cannot become dangerous.

By the end of this year the National Nuclear Corporation should have completed its agreement with Westinghouse for transfer of the technology that will enable Mr. Flint to fill in his "black box." In outline, this consists of the "steam engine" shown in the accompanying sketch: a nuclear reactor in its steel pressure vessel, surrounded by four steam-raising "loops," each consisting of a steam generator (boiler), pressuriser and pump.

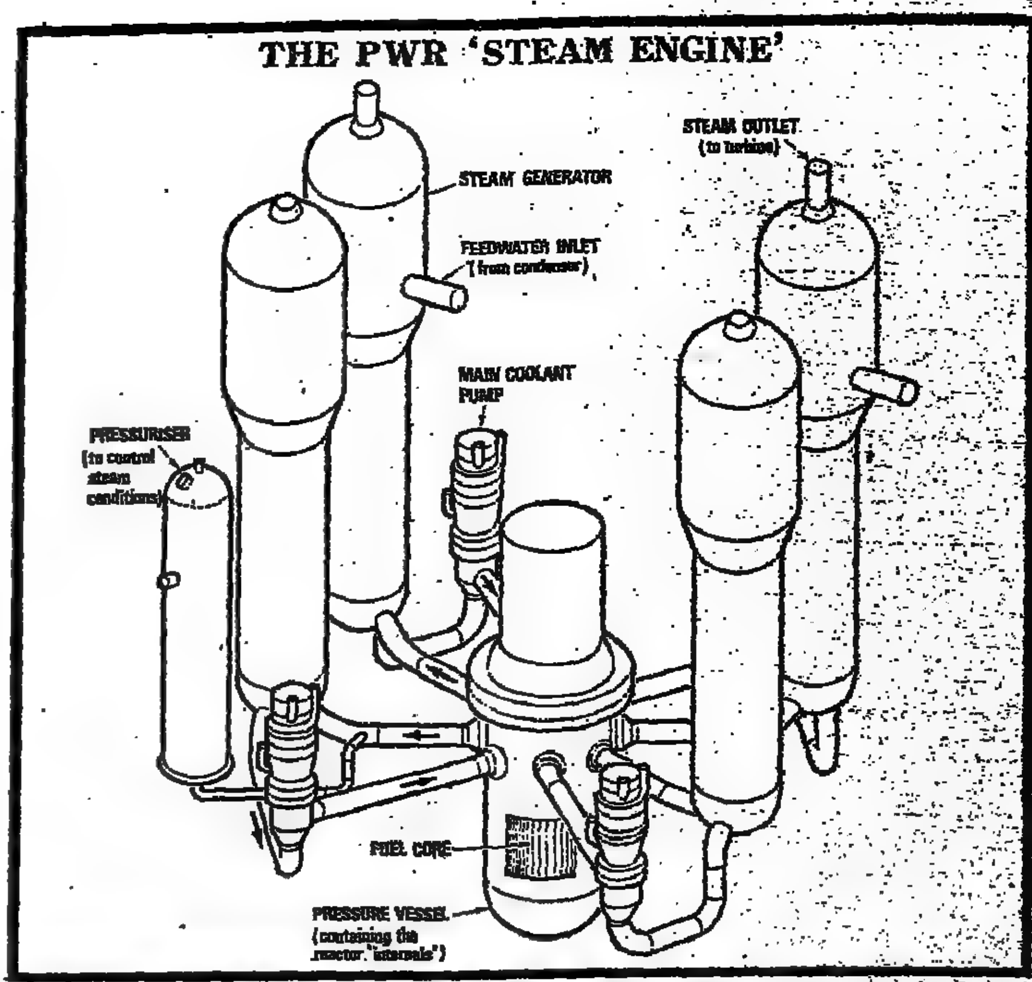
As engineers in other technologies such as aircraft and micro-electronics understand well, technology transfer in the more advanced industries means much more than air-freighting a heap of drawings to Britain. It means providing detailed instructions on every step in the manufacture and testing of every single part of the system. It means specifying to close limits the material from which every bit will be made, how it is to be treated, and precisely how the parts are to be assembled. It means setting up a system of quality assurance that will guarantee that the wrong welding rod could never be used without the mistake being detected. It means knowing how to distinguish the flaws that matter from those that do not (such as the highly publicised "cracks" in the French PWRs, which were passed by the French safety authorities).

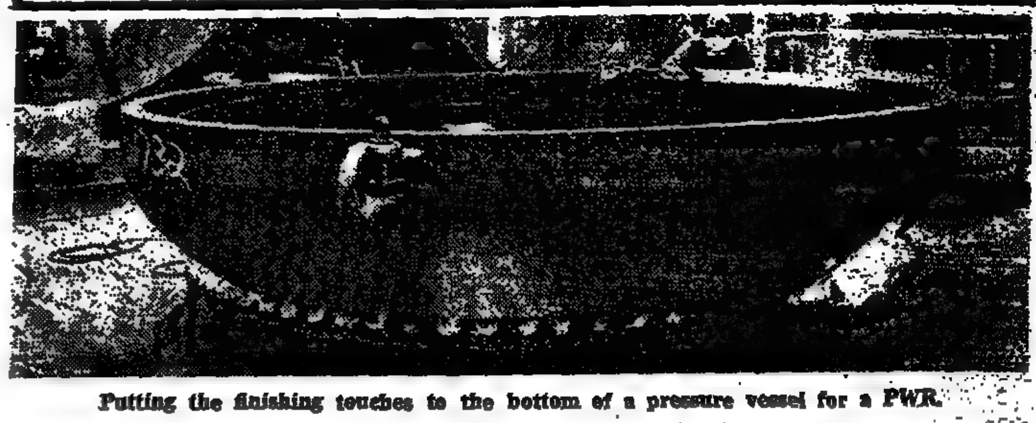
It may even mean setting up joint studies or research projects to ensure that both parties are talking precisely the same language, and that every relevant detail of a complex component is understood by the licensee. For the AGR, only the fuel assemblies had been life-tested to the standards needed before the AGR power stations were built.

To help with the passing of "know-how," Westinghouse will assign a team—six of them senior engineers, working in Britain—to the transfer of technology to Britain. It will also give the National Nuclear Corporation access to its manufacturing plants, including two quite remarkable factories in Florida. At Pensacola, in an idyllic setting, it sculpts stainless steel by the tonne on leviathan machine tools, to clockmaking standards of precision in a spotlessly clean cathedral. This factory is making "internals," the guts of the reactor itself, which supports the core of nuclear fuel. The internals are assembled from about 20,000 separate parts, into sets which, in the case of the British reactor, will weigh the best part of 200 tons.

Pensacola has the capacity to assemble 10 complete sets of reactor internals a year. It replaces an infrastructure of more than 100 sub-contractors formerly used by Westinghouse to produce the parts from which it assembled reactors. Britain is struggling to assemble its AGRs by the sub-contractor method long discarded as "not very successful," by Westinghouse, and moreover to put them together on site.

At Tampa, Florida, among palms on the shore of the Bay of Mexico, Westinghouse has a factory specialising in another big and complex component of the nuclear steam engine. This is the steam generator, the 460-tonne unit which raises steam to spin the turbo-generators. Bigger even than the reactor's pressure vessel, these mighty cylinders stand 70 ft tall and wide enough to drive a truck through the steel barrel.





Putting the finishing touches to the bottom of a pressure vessel for a PWR.

Mostly they are filled with finely wrought tubes of Inconel superalloy in which the superheated water circulating round the core of nuclear fuel passes its heat to the steam-raising circuit. The membrane separating the two circuits is a plate of hot-spun steel, 21 inches thick, with 10,000 perforations into which steam tubes are welded. "We're one of the world's largest fabricators of holes," claims a Westinghouse manager. He has a $6m machine tool which drills them five at a time. Round his factory are a dozen points at which the customer is invited to inspect his purchase "and make sure it's the way he wants it" during the two years it takes to make units costing $4m apiece. All this adds up to boilermaking under "clean-room" conditions boilermakers never dreamed of in the 1980s.

About 25 per cent of the value of the first British PWR is expected to be ordered from factories such as Tampa and Pensacola, in the belief that the best way of giving British industry a chance to break into the world market for reactors is to build the first PWR on a very fast schedule. But the imports will amount to only about 5 per cent of the cost of the complete power station. The decision to import heavy electrical plant is bound to be controversial. But only when the industry knows that more orders are forthcoming will it make the substantial investment required in special-purpose factories in Britain for these parts. Westinghouse, incidentally, puts the replacement value of its Pensacola factory today at about $50m.

But whether Westinghouse receives the orders for the British PWR parts — and there is no doubt that it could do with the business—depends crucially on a political problem. This is the U.S. Government's Non-Proliferation Act of 1978, which seeks to re-assert the control the U.S. enjoyed until the early 1950s over the western world's use of nuclear energy. It can be interpreted to mean that in selling Britain key parts of a U.S.-designed reactor, the U.S. Government would thereafter be able to dictate what Britain could or could not do with any nuclear fuel irradiated in the reactor. Such conditions would be intolerable to Britain, which has already made known its intention of pursuing a policy towards spent nuclear fuel which the U.S. opposes.

New sources of supply

But the U.S. is not the only source open to Britain. Westinghouse has already licensed its PWR technology to France, Spain and Japan, all of which have tooled up plants with the know-how if not the production capacity of the Florida factories. West Germany equipped itself under a Westinghouse licence which it later abandoned, believing that its technology had outstripped that of its licensor. The latest arrival is the Soviet Union, which, having developed its own PWR technology, is just commissioning the Atommash manufacturing complex where 1,000-megawatt PWRs will be built for the Comecon nuclear programme.

But more hotly contested than the decision to import key pieces of heavy electrical plant at a time when the British industry is short of orders will be the question of planning permission for the demonstration. Ironically, the likely site chosen by the CEGB will be much further from a sizeable centre of population than towns such as Ramsgate and Dover are from the 5,000 megawatts of PWR power Electricité de France has begun to commission near Calais.

Opponents of nuclear energy will make every effort to rekindle the fears expressed widely by U.S. citizens when the PWR on Three Mile Island ran amok last March. For this reason the demonstration PWR design is to be exposed to a full-scale public inquiry, of the kind conducted for the new Windscale reprocessing plant in 1977. Since the CEGB does not expect to have a complete design ready before the latter half of 1981, the inquiry will probably take place in 1982.

Enough is already known from the flurry of investigations since the U.S. accident to suggest that the advice to the British Government of its nuclear inspectors in 1977 is still sound. At Three Mile Island all safety systems "worked and worked well," to quote an expert member of the Kemeny Commission which reported to President Carter last month. But in a world still fearful of nuclear energy, a public inquiry which approved the British PWR as decisively as the one which approved the Windscale project could deliver British industry's passport to reactor markets worldwide.

MEN AND MATTERS

Beating the queue with barges

A helicopter flight along the Thames yesterday revealed a vista of decline and emptiness in London's dockland. But down in Sheerness there was a mood of optimism surrounding a £15m vessel named Baco-Liner 1.

This German-invented cargo carrier has bows which open wide to allow 12 rectangular steel barges, each carrying 800 tonnes, to float in and out, with gentle nudging or pushing by a tug. Baco-Liner 1 will sail tonight for West Africa, to the notoriously overcrowded port of Lagos, for which it was specifically designed.

Next month a sister-ship will join the West African run; a third is in prospect. With each vessel having an overall capacity of 21,000 tonnes, the "baco-fleet" presents a serious challenge to existing lines.

"I admit that I enjoy taking on the establishment," says Tom Hodge, chairman of Westgate Shipping, which has the agency for Britain. The owners of the ships, Rhein Maas und See, do not belong to the West Africa shipping conference, which fixes the freight rates. "We should not wish them to belong," says Hodge.

The barges, carrying a total of nearly 10,000 tonnes, can be moved in three hours, then the bows are closed again. Containers on deck can be offloaded on to pontoons by the ship's gantry, without any need to come alongside. This revolutionary idea was dreamed up by a Hamburg captain named Moncke, who was disgusted by the confusion at Lagos in 1975 when 400 ships—mostly carrying cement—were waiting for berths.

Westgate, founded three years ago and now having a turnover of £7m a year, is closely linked to the success or failure of the baco-liners. "We have leased £1m worth of containers to the German owners," says managing director Ken Jaffa. He and Hodge are both still in their thirties and have a breezy aggressive style which contrasts with the more staid traditions of the conference.

The new ship has its critics and sceptics: ideally, it is one customer to one barge, and getting 800 tonnes to the port at the right moment is a transport headache. But the German officers, demonstrating to British exporters yesterday how the bows open and shut, seemed pretty confident that they are sailing a ship of the future.

"It's our Area Health Administrator—he's suffering from redundancy symptoms"

Mole watchers

With characteristic mischievousness, chairman Malcolm Muggeridge said that yesterday's literary luncheon held at the Dorchester by Foyle's was a "gathering of spies." The event was for Andrew Boyle, author of The Climate of Treason and exposer of Anthony Blunt.

Boyle is a quiet man who did not appear to relish the hero-worship. When Muggeridge nominated him for the post of "Keeper of the Queen's Moles," Boyle said that although there were "about 30 others" besides Blunt, he did not care to expose them.

A galaxy of celebrities eyed one another shrewdly, including Woodrow Wyatt and Arthur Koestler, looking like darkness at noon. Boyle has snatched the literary headlines and, despite being so self-effacing, has a flair for making authorship pay. His previous feat was to fight the Inland Revenue, and win, over the taxation on the Whitbread Prize for Poor Dear Brendan, his biography of Brendan Bracken.

Down on the farm

The vogue for deep-freezes coupled with rising meat prices has given Britain's farmers something new to grumble about—rustling. It is an area which was once the province of the small-time opportunist, but no longer. "I would draw back," says Bob Wright, spokesman for the Midland region of the National Farmers Union, "from saying there's a Mr. Big. But there is some organisation behind individual thefts." Recent cases include 120 lambs from a farm in Warwickshire.

Large quantities of pigs have also disappeared in Oxfordshire, and a number of NFU regions have begun to organise reward schemes.

One of the latest victims is Lincolnshire farmer Cyril Rayner, who the other night lost 13 pedigree cattle in one fell swoop. His farm near Newark is just off the A1 trunk road: "They could have been in any county of England or Wales before dawn," he says gloomily. Rayner has offered a reward of £500—the beasts are worth at least £10,000 altogether — not only because he wants them back but "because the thieves are likely to follow up this raid with even bigger ones."

More unusually, Rayner has also offered to send photocopies of sketch cards—in effect Identikit pictures—to any farmer who thinks he may have bought one of the rustled Friesians. He is optimistic that the 13 are still alive. It is at least probable they are still in Britain. Transporting cattle is a cumbersome business at the best of times, but moving them abroad illegally presents formidable problems, partly because a recent innovation has been a plastic tag in the middle of one of the ears. Removed, it leaves a tell tale hole.

If Rayner is wrong about their being alive, what is the likely fate of his cows?" "Somebody's deep-freeze, I'm afraid," says Wright.

Light relief

No less entranced than the rest of us by the white heat of the technological revolution, an inventor in Iowa is sceptical about how soon the electronic newspaper will really be saving him the trouble of opening the front door in pyjamas to see if his newspaper has arrived. To make the wait more bearable, he has invented—and filed a patent application for—a device which turns on the light in the kitchen when the morning paper hits the front doorstep. Of course, it can only work if the newsboy aims straight.

The very end

Overheard: "Remember that old boy who used to walk around here with one of those 'The End is Nigh' placards?" "I do indeed. Where tha hell is he now that we really need someone to cheer us up?"

Observer

ECONOMIC VIEWPOINT

How to conquer inflation by 1984

THE YEAR "1984" will always be linked with George Orwell's novel of that title in which he portrayed Britain under a shabby totalitarian regime presided over by Big Brother. It happens to be too the last year by which the next General Election has to be held if the country is to remain a democracy under the Parliament Act.

There is, however, a chance, if we play our cards well, that 1984 could also be the year in which not merely "less inflation" but actual price stability looms in sight.

The thinking behind this article began, however, rather less cheerfully with my reading a fascinating paper by Dr. Gavyn Davies, formerly the main economist in Mr. Callaghan's Policy Unit at No. 10, who now works at Phillips and Drew. I was struck by the combination of expertise and political candour and wished that he or someone similarly qualified had stayed on under Mrs. Thatcher to perform a similar service.

Similarities

I was struck, too, by some of the similarities between the period he describes following Labour's return to office in 1974-1975 and the present one. For instance, the new Government set about, in 1974, a series of *ad hoc* inquiries to restore the pay relativities of the public sector employees said to have fallen behind under the Heath pay policy, such as the miners, teachers, nurses, railwaymen, and many others — all on top of the threshold payments awarded under the previous Conservative Government's policies. Change a few of the examples and the figures and we have a trial run for the Clegg Commission topping up under the Tories the interim awards made by the Callaghan Government last winter.

Like all comparisons, this should not be stretched too far. The big difference which struck me between the two periods was not that the 1979 legacy was worse or better than the 1974 one—this can be left to partisans to argue over—but in the oil aspect. The oil price explosion of 1974 was an unmitigated blow. By contrast, because of the North Sea, British citizens can now say: "It's our oil." This year North Sea production should almost equal British consumption. In 1980 a net export surplus of *over 20m tonnes (over 25 per* cent of production) can be expected, and in 1981 one of over 35m tonnes. In addition, the marginal tax take of the Government should rise by the early *1980s to 80 per cent of the value* of North Sea oil output. The potentially revolutionary impact of these facts, combined with rapidly rising oil prices, on British public finances has yet to be taken into account. In the medium term plan sketched below, the dials will, however, still be pointing in the right direction, and no hostages given to fortune if the fiscal oil bonus *fails to arrive.*

I start by assuming that political cynics such as Mr. John Nott and "simple Somerset lads" such as Mr. John Biffen, who have been holding *up a Medium Term Monetary* Plan can be taught the difference between *forecasts* of the future and a statement of government *intentions* over variables which are under its control and which it will, if necessary, alter its policies to achieve. The first and best-known requirement of such a plan is a series of declining monetary targets. Possible paths are set out below, with the middle of the range taken for convenience, starting with the present short-term target for 1979-80.

MONETARY TARGETS
% Increase

	Main Plan	Favourable Variant
1979-80	9	9
80-81	8	8
81-82	7	6½
82-83	6	5
83-84	5	3½

Another distinction that needs to be made is between taking figures seriously and taking them literally. The targets would be in terms of the present definition of "Sterling M3." But the plan would state very clearly that other measures would be monitored, and that if the chosen definitions were consistently understating monetary growth, as in the last few months, the authorities could lower the target or move to a different definition. Any experienced observer knows the difference between technical adjustments and fiddling the figures. Interpreted in this commonsense way, there is absolutely no reason to wait for decisions on the mechanism of monetary control before announcing targets. The second column of the table shows a faster path to price stability, which should prove "politically possible" on an optimistic view *of North Sea benefits.*

What is the fiscal stance required to make these targets credible? Some Treasury calculations have in fact already been revealed by Mr. Nigel Lawson, the *Financial* Secretary, when he wound up the public expenditure debate on December 5. The aim, he said, was to move from a Public Sector Borrowing Requirement of 4½ per cent of the Gross Domestic Product now to one of 2½ per cent, corresponding to the average of the 1960s. He also indicated that the state of the economic cycle would influence the path to this goal—as of course it must, except for silly billies. If a PSBR of £10bn for 1980 is announced out of the blue, no amount of explanation will make it seem other than a retreat towards an inflation. But a medium-term plan in which the PBSR is shown to be continuously declining on the basis of the growth trend of output, could show a temporary rise in a recession for what it is. But the *longer such a plan is delayed,* the less credible, and the more like an excuse it will seem. (As Sam Goldwyn might have said, "Already it is too late.")

MTP revolt

One reason why the know-nothing Ministers revolted against the Medium Term Plan (MTP) was that the first drafts showed little scope for tax cuts without further public spending cuts—another case of whipping the messenger who brings bad news. If Mrs. Thatcher does not like the word plan, there are many people who can help her find another title. An issue clearly related to the MTP is the publication of revenue estimates alongside expenditure ones—something which is done outside the public sector, I imagine even in rural Somerset. The argument for a decent Public Expenditure White Paper in February is not that we can foresee in detail spending on drainage in 1984. It is that both spending and tax proposals often have their greatest impact in later years. Moreover, with both sides of the account set out together in money as "unfunny" as possible (for the *cognoscenti* this means "in cost terms"), *there is no need to waste time* arguing whether to call social services charges revenue or "negative expenditure," and the accountancy treatment of, for instance, child benefits, makes *little difference.*

But in any case, the pessimistic view of tax possibilities, may not be right with present trends in oil prices if one looks sufficiently far into the 1980s. Projections made earlier this year showed total government oil revenue reaching £4bn to £6bn in the mid-1980s. New NIESR estimates assume that the dollar *price of North Sea* oil will rise from \$20 per barrel in 1979 to \$28 in 1980, \$38 in 1982 and \$57 in 1985. Assuming a constant sterling dollar exchange rate, government oil and gas revenues might reach over £20bn by the mid-1980s. On quite feasible assumptions it could reach £30bn (actual, not funny money). Even the lower sum is of course more than twice the present PSBR, more than twice present VAT yield and about the same as the income-tax taken. These tax yields will be higher by the mid-1980s, but oil revenues are still likely to be a multiple of them.

The first thing would be to prevent the projected increases in North Sea oil prices from having a disastrous knock-on effect on the British price level. Every 20 per cent price rise is worth 1 per cent on the Retail Price Index. The disadvantage of using the revenues to reduce income tax is that there would be no offset on the price level. Subsidising oil would be a disastrous incentive to waste a scarce resource and would reduce Britain's energy exports. As I explained in my Lombard article last Monday, for the majority of taxpayers the effective marginal tax rate is flat *at about 50 per cent for a very* long stretch; and indirect taxes should be included in any calculation of it. A reduction of indirect taxes, as well as having a favourable cost of living impact, would be just as good for "incentives" as a cut in the basic income tax rate.

But which indirect taxes? It would be absurd, having gone through the agonies of raising VAT to 15 per cent, to bring it down again quickly. The expenditure tax crying out for earlier abolition is the employers' National Insurance contribution—both the 10 per cent basis and the Healey surcharge of 3½ per cent. The two together amount to nearly £10bn per annum. The aim would be enough indirect tax reductions to prevent soaring oil prices from raising the general British price level, and perhaps—with sufficient oil export revenues—actually to reduce that level. With the year to year percentage increase in RPI held back in this way, one could think of moving on to the more rapidly declining monetary path in the table. The strategy suggested here has all the advantages of the Heath "at-a-stroke" anti-inflation policy proclaimed in the 1970 election with none of the drawbacks of deficit finance, money printing and domestic overheating, which undermined that policy from its very beginning.

Of course, not every penny of a reduction in employers' contributions would be reflected in prices. Some of it would *leak* into profit margins. This is part of the idea. The share of wages and salaries in the national income has risen and that of *profits fallen dramatically in* most Western countries over the last decade and a half, with the UK in the forefront. A study by the Danish Professor Martin Paldam* suggests that on the *basis of almost all economic* theories such a squeeze would be associated with falling growth rates, investment and employment. The wage profit trend helps explain why the oil *price explosions of the 1970s* have had much larger effects than the Korean commodity price explosion of the early 1950s.

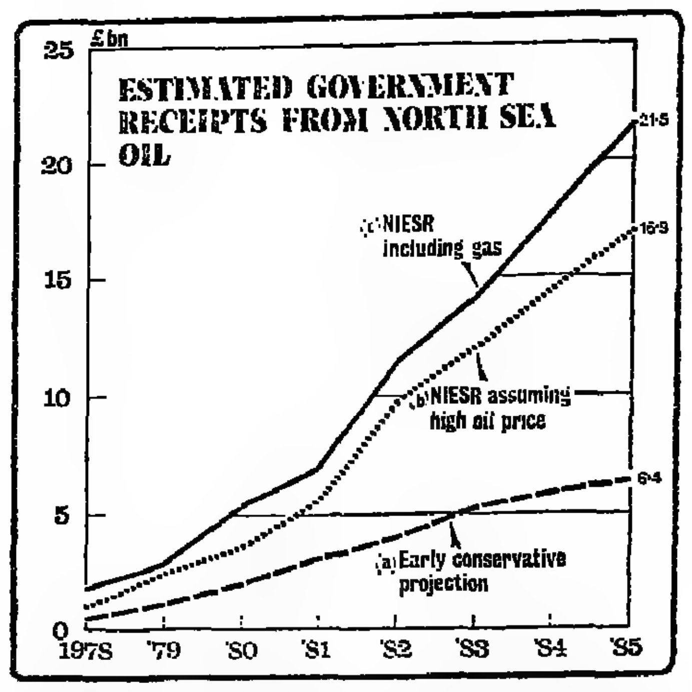
Less painful

Of course remitting National Insurance contributions with North Sea revenue will not alter the longer-term trends and forces: but it could make a shift back to profit politically less painful than it might otherwise be. Real wages as seen by employers will be reduced without *a squeeze on the value of their* employees' earnings. This is not black magic, but a sensible way of using the black gold of the North Sea.

My own preference is still for *the Riley-Brittan scheme for* paying out the revenues as dividends on a People's North Sea Oil Stock. Trusting the people is better than any other economic strategy, even one's *own. But the self interest of our* political classes continues to block the oil stock, while the ideas discussed in this article have something in them for most of those who influence *affairs, while also providing* benefits for the citizens of this country.

* *Towards the Wage Earner State, International Journal of Social Economics, Vol. 6, No. 1, 1979.*

Samuel Brittan



Projection (a) assumes sterling oil price rises at annual rate of 5 per cent from 1978. (Source, C. Johnson, Fiscal Studies, November 1979). Projection (b) assumes 6 per cent rise in real oil price from now, inflation of dollar export prices of *manufactures averaging 8 per cent and stable sterling-dollar* rate, (Source NIESR Review, November 1979).

Letters to the Editor

Juggernaut bashing

From the Chief Information Officer, Freight Transport Association

Sir,—King Canute appears to be alive and well and guiding the evidence of the Civic Trust and other environmental bodies to the Armitage inquiry into lorries, people and the environment.

The Civic Trust (December *10)* calls on Government to prevent "further threat to the environment by stabilising or reducing the volume of road freight." To do this it brings out the tired old solution that taxes on lorries should be raised. And as goods vehicles are now paying nearly half as much again in taxation as the costs attributable to them, and the inequities in the spread of these payments are to be ironed out, it calls for further taxes to reflect "social and environmental costs."

If road transport was an entity in itself there might be some logic in these views. The fundamental point is that the goods vehicle is an integral part of the industrial process. Goods vehicles are not self generating. Their growth, and that of freight transport in general is simply a response to the consumer demand which requires an unprecedented range and volume of goods and service levels in every part of the country.

Raising taxation on the lorry will not direct traffic to rail nor alleviate the reasons which make it unpopular. It will purely raise the cost of everything we buy or export. Indeed, in many cases even if there was no charge at all for the rail haul the traffic would still go by road because of the delays (and costs) of transhipping the goods from road to rail and back to road for final delivery.

One reason advanced by the Civic Trust for the rise in the volume of road freight is that road haulage costs have fallen relative to other costs. This of course is simply because the road transport industry has not been slow to improve productivity and to invest in new equipment.

And at the same time the industry has accepted even tighter controls on noise, pollution, and where and when it may operate.

So let's stop this perennial sport of juggernaut bashing and for once offer a word of praise for an aspect of industry which is crucial to our economic recovery.

J. M. Guttridge.
Hermes House.
St. John's Road,
Tunbridge Wells, Kent.

Transferable vote

From Enid Lakeman

Sir,—Further to the letter from Dr. Graham Hallett (December 5) it should also be remembered that proportional representation in the English-speaking world has always meant the single transferable vote, giving proportional representation of whatever the voters consider to be important, not, as under a party list system like the West *German*, of the organised political parties only.

The German voter has no choice between, for example, a left-wing and a right-wing candidate of the same party and therefore cannot by *his* vote influence his party's policy in one direction or another; the Irish voter, under STV, can and does. The German voter has no means of showing which party *he* thinks should form a coalition with which; the Irish voter has. The Fine Gael/Labour coalition arising from the 1973 election could not have been formed if the majority of the voters *had* not chosen to vote 1, 2, 3 . . . for candidates of the one party and then go on to those of the other.

Enid Lakeman,
Electoral Reform Society.
6, Chancel Street,
Southwark, SE1.

Productivity and growth

From the Managing Director, Cambridge Econometrics.

Sir,—I should like to clear up an actual and potential misunderstanding arising from Economic Viewpoint (December 6), and to add to Samuel Brittan's remarks on the interaction of policy, productivity and unemployment.

Mr. Brittan supports our unbelieve that since then, because sales expectations have been falling, interest rates rising and a cash squeeze looming, many companies have revised their investment plans downwards.

Our own estimate of a 13 per cent fall in manufacturing investment next year would imply a reduction in productivity before the rather spectacular rates of growth which may be technically and economically attainable in the 1980s.

In the longer term official estimates suggest a large increase in the labour force by the turn of the century, 1m of which is due to increased female participation. These estimates derive from a period when public administration — perhaps the employer of most equal opportunity — was expanding rapidly. A large increase in the female labour force and a political commitment to contain public employment seem to be incompatible.

Received views on productivity, participation and policy appear unable to achieve balance in the labour market.

Productivity growth	1980	1981	1982	1983	1984-90
Manufacturing	−4.2	−0.7	0.8	2.0	3.9
Private sector services	−0.3	1.7	2.1	2.3	2.2
Whole economy	0.1	1.5	1.9	2.4	2.5

(Growth in output per person employed from Cambridge Econometrics forecast October 1979).

employment forecasts, but leads readers to believe that we project *2m unemployed excluding* school leavers in Great Britain in 1980-81. Mr. Brittan has interpolated correctly between our figures of 1.8m for 1980 and 2.1m for 1981, but these apply to the United Kingdom and include school leavers averaged over the year. Newspaper headlines in the 1980-81 winter consistent with our forecast would refer to 1.9m unemployed in Great Britain, unadjusted and including school leavers, not the 2.2m Mr. Brittan suggests.

Misprints in your article might cause readers to confuse ourselves with the Cambridge Economic Policy Group. Cambridge Econometrics, and our academic symbiote the Cambridge Growth Project, enjoy excellent relations with Wynne Godley's Policy Group but are entirely separate in organisation, personnel, and analysis.

We believe the likely short-, medium-, and long-term impact of present policies on employment differs between sectors in important ways.

In our view the short-term employment effect of new policies outside the public sector falls on the construction and service industries, reducing numbers employed in retailing, the motor trades and catering in particular. Many of the people affected may be part-timers, female or non-unionised and may not register as unemployed.

Reductions in manufacturing employment — including cuts at British Steel and British Ley*land—owe more to the economic* position of the industries than to changes in policy, and the announced plans are in line with our forecasts you published in June 1978. Manufacturing productivity growth depends on both output and investment. Loss of productivity due to falling output may be reversed in most industries when output recovers, but reduced investment will have a lasting effect over the medium-term.

Other forecasters typically estimate a 7 per cent fall in manufacturing investment next year, *influenced in many cases* by intentions surveys carried out in August/September. We While in the short-term the last may be fixed, in the longer run *we would expect all three to* adjust to reduce the imbalance.

Hervey Gibson,
PO Box 114,
21 St. Andrew's Street,
Cambridge.

A gateway airport

From the Chairman, Haslemere District Aircraft Disturbance Action Group.

Sir,—Haslemere District Aircraft Disturbance Group is unashamedly an environmental group and holds to the opinion that "airports and people do not mix,"—i.e., that it is better for all concerned that airports are sited as far away as possible from centres of population. Thus, we consider that all future UK airport developments should be offshore.

We are therefore encouraged by the new amendment to the 1971 Civil Aviation Act which is included in the 1979 Civil Aviation Bill. This Bill has received its second reading and is likely to become law before the end of the present Parliamentary session. This new amendment states: ". . . it shall be the duty of the Authority, in exercising any aerodrome licensing function in relation to any aerodrome to which this section applies, to have regard to the need to minimise so far as reasonably practicable—(a) any adverse effects on the environment; and (b) any disturbance *to the public; from noise, vibration*, atmospheric pollution or any other cause attributable to the use of aircraft for the purpose of civil aviation."

We cannot believe that any British Government which introduced this amendment would at the same time promote any further major airport development inland.

We are, however, realists and are in no way seeking to diminish the services provided by the aviation industry. But we also foresee all too clearly the inevitable environmental results of providing for the needed extra passenger capacity by expansion of inland airports. We were very much in favour of the Maplin solution but were forced to reappraise the situation when that *solution* was, most unfortunately, and shortsightedly in our view, abandoned by the last Government.

There is, however, another answer to the problem. A "gateway airport" with unlimited expansibility, offshore in the Severn Estuary, could be operational within four years and would probably cost far less than *any* other solution.

We recently discussed this with Sir Peter Parker, chairman, British Railways Board, and his colleagues. They expressed interest in the Severnside proposal and agreed to consider the *size of the investment required* in further rail facilities. They pointed out, however, that such developments would involve duplication of the existing main line from London to south Wales *and would have to be funded* as part of the airport development and not by BR.

But the Severnside site is already served by the high-speed train route to south Wales *and motorways* which link with London and the Midlands. It has many more advantages than any other location suggested.

In view of all the above we contend that the Government would be morally wrong to proceed with any further inland airport developments—a third London airport or additional terminals at Heathrow and Gatwick—until a study as detailed as that for Maplin has been carried out, considered and published for Severnside. We believe that Severnside is the right solution.

Martin Muncaster,
Cloud's Hill, Lynchmore,
Haslemere, Surrey.

Pensions must be paid for

From Mr. R. Bankes-Jones

Sir,—Under the above clear and challenging heading your leader of November 30 is not easy to follow. The central message seems to be that state pensions ought to be better and not cost more. Bravo to that!

Towards the end, however, you took in the view that social service administration costs generally ought to be diminished. Taking that point in relation to pensions, would it be beyond the wit of computerised modern man to devise and adopt a fair means of integrating occupational and state pensions for payment? Employers already provide for the state free (which is not equitable) a collection service *for PAYE tax, NI contributions* and employer surcharge.

The danger of bureaucracy is that the head cannot see the feet on the ground because of its paunch in the middle.

R. M. Bankes-Jones.
154, Palewell Park,
East Sheen,
London SW14.

Some steel winners

From the Director, Constructional Steel Research and Development Organisation

Sir,—At a time of some concern for the future of the British steel industry, can I congratulate the judges of this year's Financial Times Industrial Architecture Awards (December 7) for selecting five steel framed buildings out of the six awards made.

K. W. Groves.
12, Addiscombe Road,
Croydon.

Today's Events

GENERAL

UK: TUC steel committee discusses Corby works closure, *London.*

Mr. Hamish Gray, Energy Minister, starts two-day tour of West Scotland.

Mr. Peter Walker, Agriculture Minister, speaks at Association of European Journalists lunch, London.

South West Hertfordshire by-election.

Civil Aviation Authority public hearings start into applications by three UK airlines to fly Gatwick-Hong Kong route.

Lloyd's two-day conference opens on "Commodities and Bulk Shipping in the 1980s," London.

Sir Peter Gadsden, Lord Mayor of London, attends *Financial Times* Christmas Pudding tasting ceremony, Savoy Hotel, London.

Duke of Kent opens "Challenge of the Chip" exhibition, Science Museum, London.

The Norwegian Ambassador switches on Christmas Tree lights, Trafalgar Square.

Conservative Party 1922 Committee meets, London.

Overseas: European Parliament in session, Strasbourg.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Opposition censure motion on Sir Keith Joseph, the Industry Secretary (dealing with the steel industry). Motions on the *Social Security (Contributions* Rerating) Order and on the Representation of the People (Amendment) Orders.

House of Lords: Bail, etc. (Scotland) Bill, third reading. *Isle of Man Bill, third reading.* Betting Gaming and Lotteries (Amendment) Bill, committee stage. Papua New Guinea, Western Samoa and Nauru (Miscellaneous Provisions) Bill, second reading. Motions to approve Cinematograph Films (Collection of Levy) Amendment No. 7) Regulations, 1979 Cinematograph Films (Distribution of Levy) (Amendment) Regulations 1979. Weights and *Measures Act 1963 (Solid Fuel)* Order 1979. Dangerous Substances and Preparations (Safety) Regulations 1979. Debate on public participation in energy policy decision *making.*

OFFICIAL STATISTICS

Department of Trade publishes November provisional retail sales figures. Index of industrial production (October — provisional).

COMPANY MEETINGS

See Company News on Page 21.

Marley advances to £22m after better second half

PROFITS before tax of Marley rose by £2.77m to £13.93m in the second six months to October 31, 1979, pushing the full year result ahead from £18.62m to a record £22.07m. Sales of the building materials *group reached £292.5m*, compared with £250.9m.

	1978-79 £000	1977-78 £000
Sales	292,522	250,931
UK	190,360	162,583
Overseas	102,162	88,348
Trading profit	27,047	22,138
UK	15,149	14,516
Overseas	11,898	7,622
Interest paid	4,976	3,522
Profit before tax	22,071	18,616
Tax	3,365	5,126
UK*	710	3,596
Overseas	2,655	1,530
Net profit	18,706	13,490
To minorities	1,141	832
Extraord. credit†	834	—
Dividends	3,999	2,769
Retained	14,400	9,889

* Reduced by £3.5m for stock appreciation relief and by £2.7m for the excess of capital allowances over depreciation. † Relates to gain of £1.22m, less tax of £0.39m, on disposal of Gomme shares.

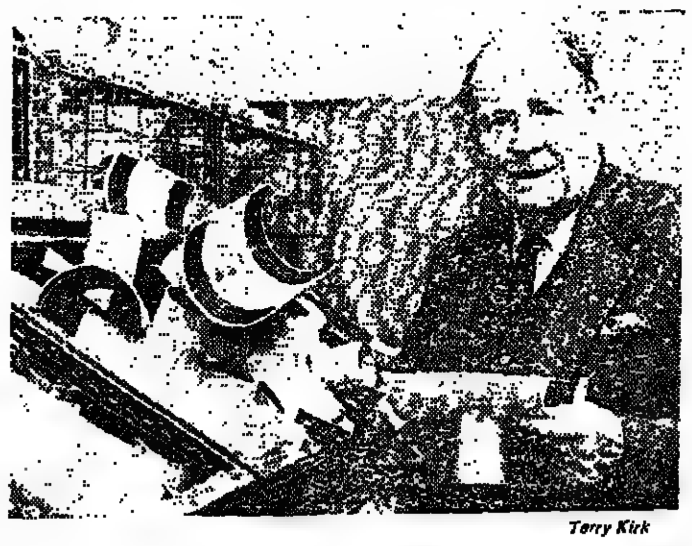
At the interim stage, when reporting profits of £8.14m (£7.45m), the directors said that the first-half results had been affected by strikes but business at home and abroad had improved and they expected a *better second six months*.

Sales and trading profits for the year were split between (in £000's):— UK £190,360 (£162,583) and £15,149 (£14,516) and overseas £102,162 (£88,348) and £11,898 (£7,622) respectively.

After-tax earnings per 25p share are stated ahead from 12.7p to 17.6p, while the *dividend total is stepped up to* 4p (2.78098p) net, with a final of 2.5p—a final of not less than 2.2p had been forecast.

See Lex

INDEX TO COMPANY HIGHLIGHTS



Terry Kirk

Owen A. Aisher, chairman of Marley . . . record full year profits.

Deritend expands 23% midway

TAXABLE profits of The Deritend Stamping Company rose 23 per cent to £815,000 in the six months to August 31, 1979, compared to £663,000 last time. Turnover went *ahead from* £15.05m to £17.01m.

Although demand for the group's products—forgings, castings and electrical installation—is not generally so buoyant as earlier in the year, the directors anticipate similar results in the second half.

The *surplus is struck after a* sharp increase in interest charges, from £35,000 to £123,000, and includes a £161,000 loss (£72,000 loss) from subsidiary Blackheath Stamping.

Blackheath was sold in October, resulting in a £35,000 capital *loss, but the directors feel* the sale will have a beneficial effect on the group's performance in the remainder of the year.

After higher tax of £122,000 (£11,000) for the six months, stated earnings per 50p share are *up from 18.5p to 19.7p.*

The net interim dividend is maintained at 3.3p—last year a total of 11.02p was paid on 12 months' profit down from £1.8m to £1.36m.

Robert Moss 26% ahead

PRE-TAX profits of Robert Moss, plastic injection mouldings manufacturer, increased 26 per cent from £252,508 to £318,474 in the half-year to September 30, 1979. Sales showed a 29 per cent increase at £1.63m.

The interim dividend is effectively raised from 0.62p to 0.7p. Last year's total was equal to 1.5p.

In view of the effects of the engineering strike and the possibility of further industrial unrest during the coming months, Mr. R. B. Cole, the chairman, says that the board is not *in a position to assess whether* or not the increase in first half profitability *will continue in the* second half.

Mr. Cole expresses confidence in the future. This stems from the policy of diversification into new products, new markets and a wider spread of customers.

It has been decided to commence the *next* phase of its expansion plan which is to build *a 40,000 square feet extension to* the production area.

Planning consent has been *given and work will commence* in the near future with *completion aimed at early 1981.*

Stated earnings per 10p share are 1.68p (1.6p).

	1979 £000	1978 £000
	Half-year	
Sales	1,636	1,268
Profit before tax	318	253
Tax	130	92
Net profit	188	161
Dividends	70	63
Retained	168	97

Moorgate Investment increases

GROSS REVENUE of Moorgate *Investment for the half-year to* November 30, 1979 increased from £199,198 to *£256,025. After* tax of £72,384 against £67,422, net revenue is higher at £154,821 compared with £111,979.

The forecast increase in the interim dividend is made, *rising* from 1.75p to 2.25p and the Board expects to recommend a total for the year of not less than 6p (4.74p). Stated earnings per 25p *share are 3.32p (2.4p).*

At the half year, the net asset value is 113.1p (108.2p).

ASSOCIATES DEAL

J. and A. Scrimegour bought *575,000* Dawnay Day Group shares at an average price of 59p on behalf of associates of Hume Investment Trust on December 11.

MAM improves to £3.1m: raises dividend

PROFITS before tax of Management Agency and Music *improved from £2.79m to £3.12m* in the year ended July 31, 1979 on higher turnover of £18.91m compared with £16.07m previously.

With first half profits up from £1.04m to £1.41m, the directors confirmed their January forecast that full year profits would show a modest increase over those for 1978.

	Year 1978-79 £	1977-78 £
Turnover	18,914,871	16,071,427
Profit before tax	3,122,876	2,785,280
Tax	1,237,833	1,039,775
Net profit	1,885,043	1,745,485
Minorities	8,974	20,502
Attributable	1,876,069	1,724 983
Off goodwill	294,665	219,267
Dividends	618,959	460,451
Retained	962,445	1,045,265
Unappropriated. prft.	8,220,922	7,258,477

Earnings per share are stated as 25.5p against 23.6p and a final dividend of 5.8875p *lifts the total* from 6.265p to 8.4p.

● **comment**

Despite an almost static second half, MAM has managed a 12 per cent pre-tax profits rise. The reduced royalty-sharing arrangement with key stars Tom Jones *and Engelbert Humperdinck* was the main reason for the unexciting *second half*. *Most profits* growth has come from the group's juke box and fruit machine side —this accounts for over half of all profits. The hotel division is doing well too; there are now eight hotels owned by MAM. The *record side of the business followed* the general slump in the sector and turned *in a small loss.* The policy of diversification and expansion is undoubtedly necessary since the fortunes of recording stars cannot be guaranteed. *The overall net dividend* is up a healthy 34 per cent, to yield 10 *per cent at 126p, up 2p. The p/e* comes out at around six on a *full tax charge.*

Baggeridge Brick comes back with record £0.6m

After reporting a recovery *£41,000 to £217,000 at halfway*, **Baggeridge Brick Company** finished the year ended September 30, 1979 with pre-tax profits ahead from £325,123 to a record £571,646. Turnover reached £4.47m, compared with £3.95m.

Stated earnings per 25p share increased from an adjusted 3.64p to 12.57p, while a final dividend of 2.5p lifts the net total to 3.75p (2.607125p).

With SSAP 15 adopted, tax for the year was down at £68,825, against £179,445. Comparisons *have been restated*.

The company manufactures bricks and supplies materials to the UK building industry.

Downturn at H. Ingram

WITH PRE-TAX surplus down from £353,615 to £210,265 in the half year to October 31, 1979, Mr. H. Ingram, the chairman of **Harold Ingram**, knitted garments group, warns that the full year profit is unlikely to reach the *previous figure of £634,268.*

The chairman says business generally has been adversely affected by a number of *factors*, of which the most significant has been the *sharp increase in* VAT.

This, coupled with the depressing industrial scene which has particularly affected certain areas of the clothing industry, has put buyers in a very cautious frame of mind, he states.

Managements have cut back purchasing budgets and *generally* buying is being conducted on a band-to-mouth basis.

Mr. Ingram adds that there is little evidence that this situation *is likely to improve* in the near future.

Group turnover *for the half* year was little changed at £3.65m, against £3.64m, which included inter-group sales of £1.38m (£1.12m). Exports rose *from £0.9m to £1.01m.*

The interim dividend is kept at 1.44p net—the 1978-79 final was 2.25p.

The pre-tax result included a profit *of £64-602 (£487 loss)* on sales of redundant machinery and £4,000 start-up losses on London Parcels. Tax took £103,374 (£139,203).

The chairman says it was hoped to have London Parcels operating by October this year, but because of building and other delays this has been put back to *January/February 1980.*

NO PROBE

The proposed acquisition by **Lloyds and Scottish of James Talcott Factors Inc.** is not to be *referred to the Monopolies Commission.*

Normand Electrical sees reasonable rise for year

PRE-TAX profits up £147,000 to £650,000 are reported by *Normand Electrical Holdings for* the half-year ended September 1, *1979, and the directors expect* results for the year to show a reasonable increase on 1978-79 when pre-tax profits were £1.03m.

Tax takes £359,000 (£246,000) giving first-half earnings per share of 3.2p against 2.9p. The *interim dividend is effectively* raised from 0.9508p to 1.0927p—*the previous total was equal to* 2.52456p.

The directors say that although the present economic climate gives cause for concern, no particular trading pattern has emerged as order books in some areas have shortened whereas others have improved.

ISSUE NEWS

Elson & Robbins raising £1.3m—profits up 40%

RECORD PRE-TAX profits up 40 per cent from £1.66m to £2.33m for the year to end September, 1979 and a deeply-discounted rights issue to raise £1.29m gross are announced by **Elson and Robbins**, maker of springs, vinyl foam and products for the domestic appliance industry.

The proposed rights issue of *3.3m shares*, which has not been underwritten, is on the basis of *one-for-two at 40p per share*, compared with a market price yesterday of 107p, down 6p.

The directors, while not making a profits forecast for the current year, report that sales in October and November were "substantially above" the previous *comparable period.*

"If there is no serious deterioration in the economic climate, our progress should be maintained," they say. The directors expect to pay dividends on the increased capital of not less than the total of 5p per share proposed for the year 1978-79.

Stated earnings for 1978-79 are 33.73p, against 18.06p, per 25p share.

On this basis, the p/e is 3 at yesterday's share price or 6.1 full-taxed. The ex-rights yield is at least 8.4 per cent.

For Elson and Robbins sales increased from £6.8m to £7.3m and profit from £903,837 to *£1,095,711. During the current* year the company is to run a pilot scheme of converting polyurethane foam, as well as develop P.V.C. foam to be used as a flame *barrier application for the bedding* and upholstery trades.

At Domestic Industrial Pressings sales increased from £7.5m to £11m and profits from £702,918 to *£1,108,809. The directors say* that this result is now reflecting the board's confidence in developing *a range of products* for the liquid petroleum gas market. *They expect further improvements* in the next year.

Turnover at **Thomas K. Webster (UK)** was £1.17m, against £1.08m, while profits fell from *£136,442 to £70,072. Although the* result is slightly disappointing, this is due to the market conditions and high interest charges on the new factory, the directors say. This subsidiary should make substantial progress during *the next financial year, they add.*

Hufcor (Partitions) retained a *steady profit figure and they see* "no growth or change in pattern here at all."

Exports amounted to £1.2m against £907,074.

On the one hand the country this year faces its first current account deficit for 14 years, *thanks in particular to a strong* surge in imports and to a bigger deficit on services. On the other *hand, the Deutsche Mark now* accounts for roughly 11 per cent of the reserves of non-German monetary authorities, and the trend is towards a further increase. *These two points together* imply a potential challenge to currency stability *such as the country has never* had to face.

TREASURY STOCK

The Bank of England announces that, in accordance with the terms of the prospectus, the 9 per cent Treasury convertible stock 1980 will be repaid at *par on March 3, 1980 or, at the* option of holders, may be converted *as at that date into 9 per* cent conversion stock 2000 at the *rate of £110 nominal of 9 per* cent conversion stock 2000 for every £100 nominal of 9 per cent Treasury convertible stock 1980 converted.

A notice setting out the administrative arrangements will be issued, with the relative forms, on January 2, 1980.

Thermo-Skyships extends offer for sale by three weeks

The offer for sale by Thermo-Skyships to raise £3.2m has been extended for three weeks because, *the company says, "of the continuing encouraging response* from private investors." So far £316,000 has been put up by 641 investors.

This is Thermo-Skyships' second attempt to raise cash. *Last June a prospectus was* issued in an attempt to raise *a total of £6.4m in two stages.* The attempt failed. Even though European Ferries agreed to subscribe for between 35 and 60 per cent of the issue only £368,000 was put forward by the public.

Closing date on the latest issue *has been extended from December* 7 to December 28.

The company states that the vast majority of the 641 applica*tions has been received since* Monday, December 3, and requests *for prospectuses* are still being received at the rate of 100 a day from both UK and overseas investors.

In a statement yesterday the *directors said that in view of* European Ferries' commitment to invest £½m under this offer, the encouraging public response and indications recently received by joint stockbrokers to the issue, John Siddall and Parsons, *from institutions who would not* normally subscribe until the last day, they remain "*confident* that not less than than the minimum subscription of £1.4m will be received.

The directors also say that they are "*encouraged by the continuing* interest in the project being shown by three European Governments."

Sellers of Leeds placing

County Bank has placed *400,000* preference shares of £1 at par in Sellers *of* Leeds, a *privately-owned company which* distributes electrical equipment from 17 locations in the Midlands and the North of England.

The shares have been allotted to nine investors, including pension funds, banks and charitable institutions. With 40,000 ordinary shares *in issue* —all owned by the Sellers family —*the placing puts a value on* the company of almost £0.5m.

The *placing arises from a scrip* issue of preference shares to existing shareholders. It enables the Sellers family to raise some personal cash.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Baggeridge Brick	2.5	Feb. 6	2.61	3.75	2.61
H. P. Bulmer ......int.	2.66	Feb. 11	2.48	—	7.66
H. P. Bulmer ...2nd int.	2.66	April 6	2.48	—	7.66
Butterfield-Harvey int.	1.3	Jan. 22	1.3	—	2.8
Compair	2.85	Feb. 29	2.39	4.5	4.04
Deanson	2.8	Feb. 18	2.34	2.8	2.34
Deritend Stamping int.	3.3	Feb. 25	3.3	—	11.02
Durapipe ......int.	0.62	April 1	0.53*	—	2.36*
Guthrie ......int.	9	April 2	6	—	21
Hongkong Rubber int.	8	Feb. 6	8	—	28
Holyrood Rubber ...int.	14	Feb. 6	12	—	40
Harold Ingram ......int.	1.44	Jan. 28	1.44	—	3.69
Kuala Selangor ......int.	4	Feb. 6	2.5	—	9.5
Arthur Lee	1.25	Feb. 22	1.1	1.69	1.54
MAM	5.89	Feb. 20	4.29	8.4	6.27
Marley	2.5	March 6	1.78	4	2.78
Moorgate Inv. ......int.	2.25	Jan. 14	1.75	—	4.74
Robert Moss ......int.	0.7	Jan. 21	0.62*	—	1.52*
Normand Electrical int.	1.09	Jan. 30	0.95*	—	2.52*
Redfearn Glass	11.27	Feb. 14	10.56	16.55	15.84
Shaw Carpets ......int.	0.5	Jan. 31	0.5*	—	2*
S. W. Wood Group int.	2.0	Feb. 18	1.8	—	4.6

Dividends shown pence per share net except where otherwise stated.
* *Equivalent after allowing for scrip issue.* † *On capital* increased by rights and/or acquisition issues.

SPAIN

December 12	Price %	+ or −
Banco Bilbao	208	
Banco Central	234	
Banco Exterior	204	
Banco Hispano	216	
Banco Ind. Cat.	141	
Banco Madrid	175	
Banco Santander	251	+3
Banco Urquijo	210	−2
Banco Vizcaya	215	
Banco Zaragoza	200	
Dragados	100	
Espanola Zinc	60	
Fecsa	56.7	−0.5
Gal. Preciados	33	
Hidrola	58.7	−0.3
Iberduero	60.0	−1
Petroleos	112.5	−1.5
Petroliber	75	
Sogefisa	115	
Telefonica	58.5	
Union Elect.	58.7	

THE MINING ASSOCIATION OF THE UNITED KINGDOM

THE CHALLENGE FACING THE MINING INDUSTRY

STATEMENT BY MR. K. H. WALLIS

The thirty-fourth annual general meeting of The Mining Association of the United Kingdom was held in London on 12th December, 1979. In his speech to the members, the retiring President, Mr. K. H. Wallis, said:

Last month the mining industry had the pleasure of seeing one of its number installed in office as Lord Mayor of London. Appropriately Sir Peter Gadsden's Lord Mayor's Show had as its theme "Natural Resources and the Environment," the Mining Association's contribution being a float bearing the legend "Metals make the world go round." Poetic licence perhaps, but containing an important element of truth. Without adequate supplies of metals and minerals the *standards of the industrialised world would decline and the* potential improvement in those of the underdeveloped world would fail to materialise.

The present pre-occupation with oil supplies has obscured the fact that the world is also destined to be short of most *other minerals, including virtually all metals*, unless there is a dramatic increase in the rate of investment in mining projects and related infrastructure over the depressed level of the past few years. The challenge is a formidable one and meeting it will require all the resources of skill and finance the mining industry can *muster*.

The United Kingdom is fortunate in having substantial natural resources in the form of coal, oil and gas. The North Sea fields however have a limited life and it clearly makes sense for some of the benefits of Britain's current near self-*sufficiency in fuel minerals to be reinvested in the production* of metals and other minerals. The relaxation and subsequent *abolition of UK exchange controls were therefore extremely* welcome—the more so to the Mining Association because this question has been high on our agenda for many years.

Regrettably no comparable progress has been made towards removing the disincentives to mining investment contained in the *UK taxation* system—in particular the double taxation suffered by shareholders in UK companies on dividends paid out of overseas income. We intend to renew our representations on this score *and hope that the philosophy* which led to the abolition of exchange control will also be sympathetic to the removal *of tax obstacles which distort* investment decisions.

The need to create wealth and therefore higher standards and greater stability in an *increasingly fragmented* "Third World" gives importance to the efforts to encourage new mining projects in *such countries*. *The political hazards* involved are however often more than individual companies feel justified in incurring and political risk insurance schemes along lines already discussed with the UK Government and the EEC would be of considerable value. At the same time it is only logical that a great part of the *needed new investment* should take place in the major proven mining areas of *the world where infrastructure* and expertise are available to build upon—and especially in those countries which have consistently honoured agreements and respected foreign investments. One such area is *South Africa, the living* standards of whose whole population would, to my mind, be *needlessly damaged*, along with the world economy in general, if investment in its immense mineral potential and mining skills was hindered by the imposition of sanctions. We have seen too many recent examples of *suffering caused when social* change is brought about by destructive means and it is encouraging that the present British Government inclines to a realistic and positive approach to the problems of southern Africa.

Closer to hand, the development and even the exploration of the United Kingdom's own mineral resources is impeded both by the difficulties of obtaining mining rights and by the *unsatisfactory nature of the planning* procedures. After many years of discussion some progress is at last being made on these fronts but *it* is still too early to say whether the proposed new planning legislation will represent a *significant overall* improvement.

More generally, it is important that when local and central governments and supranational authorities *exercise their* powers to block new projects or impose new standards they *should give proper consideration* to the alternatives available and the costs involved. These costs are usually borne by a much wider public than the more vociferous interests whose representations have carried most weight—an *example being* the foregone economic growth, higher power prices and greater *atmospheric pollution from use of outdated conventional* plants which will result from continued failure to resolve the nuclear energy debate.

Guthrie up 90% midway, but could miss forecast

FOLLOWING ON the record £20.9m in the last full year, taxable profits of the **Guthrie Corporation** jumped 90 per cent from £4.76m to £9.09m for the first six months of 1979. Turnover of the rubber plantation and international trading group rose by £8m to £133.17m.

The directors say the second half performance will be similar to the first six months, but add that a number of factors are hindering the achievement of the previously forecast full year profit of £30m, before tax.

However, the year's result is expected to be materially higher than for 1978.

	Six months 1979 £000	Six months 1978 £000	Year 1978 £000
Turnover	133,170	125,163	257,304
Operatg. profit	11,793	7,005	25,462
S.E. Asia	9,431	6,918	20,540
N. America	2,738	805	3,468
Europe loss	191	892	†179
Australia loss	160	133	†397
Africa, Mid. East loss	25	†306	†978
Interest	2,704	2,247	4,565
Profit bef. tax	9,089	4,758	20,897
Taxation	4,500	2,400	11,010
Net profit	4,589	2,358	9,887
To minorities	762	346	948
Leaving	3,827	2,012	8,939

† Profit.

They explain that a high level of business activity in South-East Asia and North America will be offset by indifferent results from other territories, escalating interest rates, deteriorating conditions in industrial activity in the UK and the *continued strength of sterling*.

The net interim dividend is lifted 50 per cent from 6p to 9p per £1 share and the directors reiterate their intention to make payments totalling not less than 28p (21p) in the current year.

Interest charges for the six months rose from £2.25m to £2.7m. After tax of £4.5m (£2.4m) net profits increased from £2.36m to £4.59m.

In South East Asia, satisfactory crop yields and continuing *stability of the prices of rubber* and palm oil at a relatively high level resulted in an improvement in profit generated by plantation and related activities.

Guthrie Ropel had a particularly good first half and its pre-tax profits for the period were M$10.6m (M$5.8m).

The present price of Guthrie Ropel on the Kuala Lumpur *Stock Exchange values its estates* at an average of over M$4,300 per planted acre, well in excess of the most recent open market valuation. Recent sales of parcels of land have also *confirmed that this valuation can be* considered conservative, the directors state.

Guthrie Berhad made further progress in the first half of 1979 and reported *pre-tax profits* of M$5.2m (M$2.1m).

In spite of the heavy costs incurred in establishing three new manufacturing facilities in the U.S. and Canada, profits in North America returned to a satisfactory level in the period.

Although there was a reduction in the losses incurred by European operations, the result is *still disappointing, the directors* say. The UK carpet industry has been heavily affected by the strength of sterling, both in its reduced competitiveness in export markets and in increased imports, particularly from the U.S.

The directors report that the weakness of the textile industry in high wage cost areas, requir*ing tariff barriers or restrictive* quotas is also illustrated by the Australian operations. Palm Beach Towel, in particular, had profits eroded by duty-free imports from India.

In Africa and the Middle East, the trading situation in Nigeria continued to be difficult in the run-up to the general election. Guthrie Galadari met stiff competition in the Gulf area, but made some progress.

See Lex

RUBBER INTERIMS

Three rubber companies have announced their interim dividends in respect of 1979, Holyrood Rubber and Kuala Selangor Rubber, both subsidiaries of Harrisons and Crosfield, are lifting their interims *from 12p to 14p and* **from 2.5p to 4p respectively. Hongkong Rubber, in which H. and C. has a substantial interest, is maintaining its payment at 8p. The respective totals for 1978 were 40p, 9.5p and 28p.**

Bulmer shows rise to £2.3m

PRE-TAX PROFITS of **H. P. Bulmer**, the Hereford-based cider maker, rose by 19 per cent *from £1.93m to £2.3m* in the half-year to October 26, 1979, on sales 20 per cent higher at £25.07m.

Mr. Peter Prior, chairman, anticipates that the full-year results will show a worthwhile improvement over the £2.57m last time, although he does not expect profits to reach the £3.9m of 1976/77.

Much will depend on the level of sales during the peak Christmas period, he adds.

Half-year interest charges were more than doubled at £984,000 because of an increased level of borrowings, mainly to fund last year's record apple crop, and higher interest rates. However, the chairman does not expect the rate of increase to *be as great in the second half.*

All trading activities achieved an improved performance in the first half and contributed to the 28 per cent rise to £3.16m in trading profit. Trading profit margins increased to 12.6 per cent (11.8 per cent) of sales.

Strongbow and Pomagne sales maintained their growth, the chairman says, and although traditional draught ciders continued to decline, cider sales volume was 2 per cent higher.

He adds that cider sales volume in November was 3 per cent above the same month last year. *Selling prices of some of* the group's ciders were increased last month, and the rest will be raised by about 10 per cent immediately after Christmas.

The group's pectin activity achieved a better half-year trading performance, mainly due to the improved supply of raw materials.

All overseas activities reported improved results. Progress has been maintained in the Australian subsidiary, where the development of new markets for concentrated apple juice from *the Tasmanian operation* has been particularly successful, the chairman says. A new apple juice plant will be commissioned in Western Australia next year.

The group has continued the test marketing operation for its ciders in the U.S., he adds.

Wines and spirits' sales value rose by 24 per cent and trading profit by 44 per cent. This trend is expected to continue in the second half.

There are two interim dividends of 2.66p net each, compared with 2.479p each last time. The total for 1978/79 was 7.659p.

Stated earnings per 25p share are up from 15.14p to 17.6p, *excluding exchange adjustments.*

Tax takes £412,000 (£312,000), of which £369,000 (£282,000) is in the UK.

The chairman says group borrowings *are expected to* increase from £7.5m at April 1979 to about £9.5m at April 1980.

	Half-year 1979 £000	Half-year 1978 £000
Sales*	25,065	20,948
Cider and pectin	24,185	20,236
Wines and spirits	880	712
Trading profit	3,162	2,475
Cider and pectin	3,022	2,394
Wines and spirits	105	73
Property	35	8
Interest	984	476
Minorities	2	—
Exceptional credit	121	†69
Profit before tax	2,297	1,930
Tax	412	312
Net profit	1,885	1,618
Exchange gains	19	‡26
Pref. dividends	65	64
Attributable	[illegible]	[illegible]
Ord. dividends	550	511
Retained	1,289	1,017

* Excluding excise duty. † Charge. ‡ Losses.

● comment

The 28 per cent increase in *trading profits at H. P. Bulmer* reflects the better margins the company can now achieve, spared the attentions of the Price Commission. But with UK cider sales up only 2 per cent in volume terms, the "cider revival" of 1976-77 remains a heady memory. Interest payments take the sparkle out of attributable earnings, though the company is *making good use of its cash to* store up apple concentrate from this year's bumper crop, assuring supplies into 1980-81. Outside estimates are pitched around a full-year pre-tax profit of £3m to £3.5m, against last year's £2.5m. But when it has consolidated the benefits of better margins, Bulmer has few immediate prospects for improved growth. Success in the tempting U.S. market still looks many years away. Market expectations of a 15 per cent hike in full-year dividend gives a useful projected yield of 7.9 per cent at 160p.

NEW YEAR-END

The Piccadilly Theatre's *accounting period has been* changed to September 30, to coincide with the accounting date of the ultimate holding company, Associated Newspapers Group.

Redfearn Glass boosts profit in second half

AFTER THE slump from £1.79m to £339,000 *in the first half*, **Redfearn National Glass** *completed the year to September* 30, 1979 with pre-tax profits of £3.31m against £3.9m previously. Turnover improved from £48.05m to £55.97m.

However, it is again likely that the group will only break even in the first half of the current year, the directors say, but they forecast a substantial second half improvement as was the case in the year under review.

In these circumstances results for the current year are likely to be comparable with those of 1979-80, the directors add.

Stated earnings per share are 49.67p against 58.8p but a final dividend of 11.27p lifts the total from 15.84p to 16.55p.

Profit for the year is after interest of £1.05m against £521,000. Tax takes £290,000 (£322,000) leaving net profits at £3.02m compared with £3.58m.

Capital expenditure for the year amounted to £3.7m. Despite *difficulties created by the road* haulage strike and competitive conditions, there was a net cash inflow during the year.

The directors explain that the first half of the current year will include some large and unusual *costs. If efforts to conclude* negotiations on a cost reduction programme are successful, substantial redundancy payments will have to be made during the first *half and the savings will accrue* in the second half.

The first half will also include the planned re-build of one of the large furnaces at the York factory with a severe, but temporary effect on profitability.

● comment

Redfearn's 40 per cent second half improvement during a damp summer on the corresponding period of 1978 is an indication that the group is fully capable of recovery but, due to exceptional factors this winter, profits will probably remain on a plateau in the current year. There is a chance now that the tide of foreign market penetration is reaching a high water mark and *price increases, so difficult to* push through a year ago, are now beginning to stick. But the benefits of a 10 per cent price rise at the beginning of last month will be swallowed by redundancy costs of some *£500,000—to be taken above the* line—as Redfearn attempts to cut fixed overheads. Moreover a major furnace, representing about 15 per cent of total capa*city, will be out of commission* for ten weeks during a re-build. The result is that Redfearn will break even in the first half and profits will be more than maintained for the full year. On a prospective p/e of 8.2 and an historic yield of 11 per cent the shares have probably gone far enough for the present after a 13p rise to 225p yesterday. The *total UK market for glass has* dropped by about a point in 1979 and, although Redfearn's slice has climbed to 16 per cent, volume growth will be hard to come by in 1980. PET development represents a useful area of potential growth but the real breakthrough may not be achieved until (or unless) one of the major brewers puts down a wide mouth bottling line. The group believes that this horizon has now shortened to the medium-term.

Durapipe dips in first half

REFLECTING greater cash utilisation in support of group expansion, pre-tax profits of **Durapipe International**, manufacturer of plastic pipework and lifting tackle, fell slightly from £621,000 to £603,000 in the half *year to September 30, 1979.*

Other factors contributing to the reduced surplus were the engineering strike, which resulted in scarcely any profit from the subsidiary Ansell Jones, and a steep rise in interest charges from £94,000 to £212,000.

The directors point out that interest charges will continue to affect results for the time being because of the group's policy of continued expansion into new products.

They add that, dependent on the performance of overseas subsidiaries, the group should con*tinue to trade satisfactorily, with* any recessionary downturn at the major subsidiary Durapipe, being offset by expected improvements on the engineering side.

Turnover for the six months under review expanded from £6.47m to £7.32m, and tax takes £110,000 (£109,000).

An interim dividend of 0.62p is announced, compared to 0.529p *adjusted for a one-for-one scrip* issue. Last year's total was an equivalent 2.3555p from profits before tax of £1m (£1.11m).

Nelson David seeks further expansion

AFTER SPRINTING sharply ahead in the second half of last year, **Nelson David**, the motor distribution group, has main*tained its improvement in the* first six months of the present financial year.

Mr. David Cooper, who took over as chairman late in 1978, also told shareholders at yesterday's annual meeting that they can expect news of a further *acquisition in the next six months* or so.

"Our continued policy is to acquire more dealerships," he said. "We're looking all the time for new companies to acquire, but we're looking very very carefully."

One of its recent acquisitions, that of Pippbrook, the Ford dealers in Dorking, for £48,000, had already earned more than the company paid for it, he said. "It's north of East Anglia" was the only indication he would provide of the next likely deal.

Graig takes time charters in better freight market

THE RETURN to profitability achieved by **Graig Shipping** in the half year ended September 30, 1979 *has been brought about* by the greatly improved freight market now being experienced. In the six months the group turned in a net profit of £271,669 compared with a loss *of £778,330.*

In their interim report the directors say that in order to take advantage of this position the company has on time charter two vessels of 15,000/16,000 tons dwt for three to five months trading and one vessel of 266,000 tons dwt for eight to eleven months trading.

These three, together with the company's own two vessels, are all now trading profitably. However, the directors say that it is difficult to anticipate the future when world opinion *generally seems to expect that* there will be a further recession next year.

With Government approval, the consortium controlling the three oil and gas exploration licences in southern England, in which Graig has a 30 per cent interest, is to proceed with a programme to further the company's investigations into the licences potential.

A full and detailed seismic of licence XL071 it to be completed. Results are now being evaluated *and should be available early in* the new year.

The consortium is to dispose of 51.5 per cent of the company's interest in licence XL070 to Shell UK. This is in exchange for the completion of a considerable amount of seismic study on the licence, and work has already started on the area.

A detailed seismic study has already been carried out by Conoco Inc, which has licences surrounding XL069. The directors state that it is only necessary, therefore, for the company to complete a comparatively small area of seismic of this area and the company will exchange the information gained with neighbours to give them a fairly broad and detailed picture of the situation.

Shaw Carpets slides at half time

FROM turnover of £18.47m against £15.02m, for the 27 weeks *ended November 2, 1979, profits* before tax, of **Shaw Carpets** fell from £949,000 to £618,000.

The directors say the performance should be seen against a UK industry background of closures, redundancies and short-time working, caused by reduced exports, higher imports and curtailed consumer demand.

The interim dividend is being *effectively maintained at 0.8p per* share—the previous total was equal to 2p on pre-tax profits of £1.64m.

First half profit is after interest, £101,000 (£118,000) and depreciation, £553,000 against £505,000. Tax takes £312,000 (£502,000) leaving net profits at £306,000 compared with £447,000.

● comment

A sobering *six months at* Shaw Carpets, *followed cruelly on last year's doubled profits. The prob*lems are familiar: higher sterling, highere feedstock costs, *higher import penetration.* In *Shaw's sector of tufted carpets,* U.S. imports have risen over the year from 1 to 5 per cent of the U.K. market. The next six months will be aqually tough, as distributors continue to run down stocks under interest-rate pressure. But the long-term outlook is brighter than this year's downturn suggests. The closure of competing Associated Weavers will give Shaw more space in the UK market, and the EEC is considering tariffs to counterbalance any advantage that U.S. producers may continue to enjoy from lower feedstock costs. The Milli*tron computerised patterning* machinery is performing well, and with the investment programme over Shaw is putting cash into the bank and can afford *maintained dividend payments,* which for the full year, would indicate a projected yield of 11.2 per cent on the unchanged price of 26p.

Trafford Carpets at £29,000

Taxable profits of **Trafford Carpets (Holdings)** fell from £42,500 to £29,000 in the six months to September 30, 1979. The company has incurred second-half losses in the past two years—for 1978-79 profits totalled £26,551.

The directors say a decision about the payment of an interim dividend will be made early in the New Year. Last year there was an *interim of 1p and a final* of 0.75p.

Half-year turnover amounted to £1.75m, compared with £1.95m. After tax of £15,000 (£22,100), *stated earnings per 25p share* are down from 1.4p to 1p.

The figures exclude any results from Damolly Spinning Company which ceased trading during the period.

PYE CAMBRIDGE

Pye of Cambridge, a subsidiary *of Pye Holdings proposes to* cancel the 2,935,853 5½ per cent cumulative preference shares of Pye of Cambridge in return for cash payment by Pye Holdings *of 58p per share.*

Today's company meetings

A. Arenson, Lincoln House, Colney Street, St. Albans, Herts., 12.30. Audio Fidelity, Queens Hotel, City Square, Leeds, 10.00. British Assets Trust, 1 Charlotte Square, Edinburgh, 2.30. S. Casket, Midland Hotel, Manchester, 12.30. Eleco, The Middlesex Room, Abercorn Rooms, Great Eastern Hotel, EC, 12.00. LWT, South Bank TV Centre, Kent House, Upper Ground, SE, 12.30. London Entertainments, Palace Theatre, *Shaftesbury* Avenue, W, 12.45. London Shop Prop. Trust, Winchester House, Old Broad Street, EC, 2.30. McKechnie Bros., Midland Hotel, Birmingham, 12.00. Martonair, The Connaught Rooms, Great Queen Street, WC, 12.00. F. W. Thorpe, 75 Harborne Road, Birmingham, 3.15. Wemyss, 4 Melville Crescent, Edinburgh, 12.00. Westward TV, The Studios, Derry's Cross, Plymouth, 2.30.

Companies and Markets

OIL and GAS NEWS

Pertamina signs deals totalling $304.4m

PERTAMINA, Indonesia's national oil company has signed five production-sharing agreements with international oil companies for a total exploration investment of $304.4m (£140m) over the next ten years.

Three of the agreements concern areas of which control is disputed by Vietnam, while the other two are concessions offshore the eastern tip of the province of West Irian.

Mobil Indonesia, a subsidiary of Mobil Corporation, was awarded two blocks in the disputed Natuna Sea area, Natuna D-1 covering 5,240 sq km and Block D-2 of 5,040 sq km.

The company will spend $45.7m over six years and $22.5m in the following four years on the first block, with a signature bonus of $12m, plus bonus payments of $8m on production of 50,000 barrels a day and $10m on 100,000 barrels a day.

On the second Natuna block Mobil will spend $49.7m over six years and $22.5m in the following four years. Signature bonus is $10m and production bonuses the same as for the first block.

Chevron Indonesia and Texaco gained the third Natuna area, Block C, of 7,500 square km, and will spend $18.5m over six years. Signature bonus is $1.5m, with a production bonus of $6m on discovery of a commercial field, $8m on production of the first barrel, $15m on 50,000 barrels a day and $25m on 100,000 barrels a day.

The **Royal Dutch Shell** group was awarded the Mamberamo block of 14,675 square km in West Irian, and has agreed to spend $137.5m in the next 10 years. The group will pay $5m when oil production exceeds 20,000 barrels of oil a day, or 250m cubic feet of gas a day, $10m on 75,000 barrels or 500m cubic feet and $15m on 150,000 barrels or 750m cubic feet.

A consortium comprising **Conoco, Total, Chevron** and **Texaco** acquired the Nauka block of 42,755 square km in Irian Jaya and have agreed to spend $8m over the next four years.

Production bonuses are $2.3m on 50,000 barrels a day, $4.7m on 100,000 barrels and $9m on 200,000 barrels, but no signature bonus was required.

For the Natuna area 85 per cent of oil production will go to Pertamina and 15 per cent to the contractors after deduction of costs. Gas contracts are on a 70 to 30 per cent ratio.

For the West Irian areas oil production will be split 85 to 15 per cent in favour of Pertamina, but the gas ratio is reduced to 65 per cent to 35 per cent.

Contractors are required to sell 10 per cent of their interests to Indonesian companies on striking oil and also provide 1.5 per cent of their oil at $0.20 a barrel for local refineries.

Western Mines, the base-metals mining arm of **Brascan,** will buy for C$20.1m (£7.9m) certain oil and gas properties in Western Canada from the Abacus group of companies, reports **John Soganich from Toronto.** Purchase of each parcel is subject to receipt of a satisfactory title report.

Working interests have been purchased in producing oil and gas properties in 16 principal operating areas. Six gas properties, four oil properties and two oil and gas producing properties are located in central and South Alberta. Three oil properties and one gas property are in south Saskatchewan.

On the basis of a reserves report prepared by consultants as of July 1, 1979, for Abacus Cities, Western has acquired estimated net proven and probable reserves totalling 703,000 barrels of oil and 12.87bn cu ft of natural gas.

In addition to the producing properties, the package includes 24,581 net acres of miscellaneous non-producing lands in Alberta and Saskatchewan.

* * *

Chevron Standard, operator of the group of companies drilling the Hibernia P-15 well offshore Newfoundland, says that production testing of the interval 3,852 to 3,858 metres produced a flow rate of 2,635 barrels of oil a day of 34.5 API gravity oil with a gas-oil ratio of 890 cu ft per barrel. No water was encountered during testing.

The company plans to test additional potential hydrocarbon zones above 3,852 metres. Other participants in the well are **Mobil Oil Canada, Gulf Canada Resources, Petro-Canada** and **Columbia Gas Development of Canada.**

* * *

Dome Exploration has exercised its right to purchase a 3.5 per cent working interest in 2.9m acres in the promising Beaufort Sea from **Coloumbia Gas Development of Canada** at a price of C$50m (£19.6m).

The latter had previously sold the 3.5 per cent interest to **Overseas Petroleum Corporation,** a Japanese company, for the same amount but under the terms of an agreement between Dome and Columbia that company was required to offer the interest to Dome at the same price.

Dome estimates that the interest is worth substantially more than the price paid. However, Dome stressed that the purchase should not be construed as indicating any reluctance to have Overseas Petroleum or any other Japanese companies participate in Beaufort Sea exploration.

Outlook at Smiths Inds.

Reiterating his previous forecast that full year turnover and profits would advance, Mr. Roy Sisson, chairman of Smiths Industries, said at the AGM that, with difficulties still facing many sectors of UK industry, the task would not be easy.

The start of the current year had seen the damaging engineering strike and the cost to industry as a whole had been heavy. Now that normal trading had resumed he was encouraged by the trend evident in October and November trading results. However, time was not on the group's side to make good the profit shortfall by the half year.

UK COMPANY NEWS

CompAir sees 28% downturn

DEPRESSED by a continuing recession in the construction sector and the effects of the engineering strike, taxable profits of CompAir, manufacturer of air compressors and pneumatic equipment, slipped 28 per cent from £11.58m to £8.36m in the year to September 30, 1979.

Although they feel it would be premature to form a judgment on the future course of business at this early stage, the directors say there is an improving trend in the UK. They expect to have a clearer view of prospects in overseas markets by February.

Turnover for the 12 months rose slightly from £147.35m to £153.56m, and the directors point out that although most subsidiaries achieved a creditable performance in terms of sales, few were able to avoid a reduction in profit margins.

The surplus is struck after increased interest charges of £4.09m (£3.06m) and depreciation £3.22m (£2.97m). Tax is lower at £3.59m (£5.39m), giving earnings per 25p share down from 12.13p to 8.87p, or from 11.54p to 8.49p fully diluted.

The dividend is lifted to 4.5p (4.0369p) with a final of 2.85p.

Comparative figures for last year have been restated following the adoption of SSAP 15 and a change in the method of stock valuation at a U.S. subsidiary.

As a result of these changes in accounting policy, reserves brought forward have been increased from £26.09m to £34.76m.

Reserves have been increased by a further £4m as a result of a professional revaluation of property and the board's own valuation of other assets.

Exchange losses for the year of £2.11m (£2.03m) have been charged direct to reserves.

	1978-79	1977-
	£000	£
Sales	153,557	147,
Trading profit	15,656	17.
Interest	4,085	3.
Depreciation	3,216	2.
Profit before tax	8,355	11.
Tax	3,588	5.
Profit after tax	4,767	6.
Minorities	22	
Extraord. debit	—	
Attributable	4,745	6,
Dividends	2,457	2.
Retained	2,288	3,

● **comment**

Volume was broadly maintained over the year at CompAir, but at the cost of squeezing trading margins from 11.9 to 10.2 per cent. The group was hit by a series of strikes and with about two-thirds of output sold abroad was particularly susceptible to the strength of sterling. Construction equipment was worst hit, due to vigorous price competition in local markets. The company is currently finding less resistance to price rises and is also looking to prune labour and bought-in component costs to rebuild margins this year. The market had expected a rather bigger profits drop and the share price rose 4p to 61p to stand on a fully-taxed p/e of 7.7 and a yield of 11.5 per cent.

Arthur Lee forges ahead in second half

AFTER BEING hit hard by strikes in the first half of 1978-79, Arthur Lee and Sons, the steel bar, strip and wire rope group, has picked up sharply in the second six months. In the interim period the haulage strike and internal industrial action combined to produce a loss of £220,000, but by the end of the year to September 30 the group had recovered to profits of £1.95m, compared with £1.89m for the previous year.

The result reflects more satisfactory trading conditions and a better industrial relations environment, but the transport and engineering disputes clearly had a serious effect on turnover and profitability for the year, the directors state.

In the current year demand has been depressed by the after effects of the engineers' strike and the de-stocking policy being followed by some customers in the light of current high interest rates. However, the directors anticipate that after this period of adjustment some recovery in demand will occur.

The year's trading profit was lower at £1.81m against £1.96m but investment income was higher and there was a share of associates profit of £85,343 this time compared with a loss of £101,289. The trading profit was struck after additional depreciation of £602,650 (£746,000), the reduction arising from up-dating the method of calculation.

After a tax credit of £667.505—net of a release of £1.69m from deferred tax—(£704,283 charge) and heavier minority interest the attributable balance comes through at £2.42m against £1.15m. This gives earnings per 12.5p share up from 4.66p to 8.64p.

The dividend is being raised from 1.64p to 1.89p, with a final of 1.25p.

	1978-79	1977-7
	£	£
Turnover	67,450,000	63,418,0
Trading profit	1,810,362	1,953,9
Invest. income	54,303	29,7
Share of assocd.	85,343	101,2
Profit before tax	[illegible]	1,898,3
Tax credit	667,505	704,2
Net profit	2,617,313	1,184,0
Minority	198,420	34,7
Attributable	2,419,093	1,149,3
Pref. dividends	11,400	11,4
Ord. dividends	523,884	477,3
Forward	3,801,797	3,553,3

BIDS AND DEALS

Harvey Nichols not to be sold despite £25m offers

BY CHRISTINE MOIR

Debenhams has decided not to sell its Harvey Nichols department store despite at least two serious offers for it in the £25m range.

Mr. Kenneth Bishop, the *managing director finance in the* stores group, said yesterday that the money was attractive but short-term considerations could not be allowed to take over.

Debenhams had looked at proposals *to redevelop the* 125,000-sq-ft freehold store—one from Taylor Woodrow—which would have included a smaller unit for Harvey Nichols. But trading would have had to cease for at least two years and this would *have made it difficult,* if not impossible, to pick up again.

Instead the offers had made the company realise the worth of the property; in addition to a £25m price tag, some £10m more would need to have been spent on internal redevelopment with accompanying finance costs of perhaps £5m.

"If a developer thought he could make a return on the store at that price, then we were determined to make a return on Harvey Nichols as it is," Mr. *Bishop* said.

Debenhams has spent some £5m on developing the Harvey Nichols business over the past three or four years and although it is not yet contributing much to group profits there are hopes of a significant contribution next year.

Further development is planned. Some of the management has been changed and the intention is to widen the range of middle price items so as to encourage domestic customers in place *of the now elusive wealthy* Middle Eastern and American buyers.

Mr. Bishop denied that the decision to hold on to Harvey Nichols was made as a gesture to reassure the market over the health of the group which has sold a number of subsidiaries in recent months.

He pointed out that gearing in the last balance sheet amounted to only 30 per cent and was expected to be even lower this year.

Money broker stake in Godsell

Astley and Pearce Group, one of the top two international money brokers, is to buy a stake in **Godsell Group,** another broker, in a deal thought to value Godsell at £2½m to £3m.

The agreement reflects the pressure on the money broking business. Commission rates have been cut back in recent years and capital investment has been needed to set up overseas branches. Next year British banks will start dealing directly with each other in foreign exchange. This is expected to hit the UK broking market.

In October, Mercantile House, the other top money broker, bought Woellworth and Company *for £1.75m. And before that,* Harlow Meyer bought Savage and Heath.

Astley and Pearce is no buying Godsell outright. The staff of Godsell will have a third and Astley and Pearce will share the rest with St. Mary Axe, a partly owned subsidiary of British and Commonwealth Shipping which has backed Astley before.

Astley and Godsell will each gain from the strengths of the other, said Mr. John Gunn, managing director of Astley, yesterday. "They are very good on Eurodollar deposits and Eurocurrency deposits and certain foreign exchange" said Mr. Gunn. "We can offer an international network of offices."

Marlon House Group is understood to be selling the Godsell broking activities to concentrate on trading as a principal in the money markets.

WM. LOW

Wm. Low and Co., Scottish supermarket group, has purchased **Hotco,** which operates five freezer centres in central Scotland and a frozen food distribution depot.

The Hotco centres—in Falkirk, Bathgate, Whitburn, Stirling and *Motherwell—will all be absorbed* within the company's Lowfreeze division, giving it 18 freezer centres in all.

HALL STEAMSHIP BID UNCONDITIONAL

Temple Finance and Investment's £365,000 bid for **Hall Brothers Steamship** has been accepted by holders of 83.5 per cent of the ordinary shares and the offer has now gone unconditional.

Temple, controlled from Guernsey by Mr. Allan Ferguson and his wife, has also gained control of 48.2 per cent of the non-*voting "A" shares* and 90.9 per cent of the non-cumulative participating preference shares.

Still holding out, however, is Shirlstar Container Transport which owns 10.4 per cent of Hall *and regards the 70p a share* cash offer as too low. Mr. Ben Slade, one of the owners of Shirlstar, has said that the company intends to stay a minority shareholder in the reconstructed company.

A decision is likely to be taken today on whether the new owners of Hall will go ahead with the opportunity, mentioned in the formal offer document, to buy 1.6 per cent of the shares in Rand London Corporation, a South African listed mining and investment company, at 69p each.

Hall, which reported sharply higher losses for its last financial year and was planning to go into liquidation before the bid, has had its Stock Exchange quotation suspended as a result of the success of Temple's offer.

ALEXANDERS HLDGS.

Alexanders Holdings has sold surplus freehold property at Bridge Street, Northampton for £285,000.

Butterfield-Harvey dives £1.45m at interim stage

WITH THE engineering dispute estimated to have cost the group well in excess of £1m, pre-tax profits of Butterfield-Harvey dived from £1.56m to £111,000 in the six months to September 30, 1979.

By July output and profitability had recovered to budgeted levels, after being *affected by last winter's* industrial disruption. However, the engineer's strike cause further disruption.

The directors report that this continued into the third quarter, with the reduction in public authority spending aggravating difficulties. But on present knowledge there will be a marked improvement in the final quarter of the year leading, in the opinion, to a resumption of an upward profit trend. For the last full year the pre-tax surplus totalled £2.76m.

First half turnover was little changed at £27.14m (£27.09m) and profits were struck after interest of £415,000 (£206,000) and associated profits of £41,000 (£120,000).

Tax took £26,000, against £288,000, and earnings per 25p share fell to 0.6p (5.7p). The net interim dividend is held at 1.3p. Last year's final payment was 1.5p.

There were extraordinary debits of £214,000 (£3,000), leaving an attributable loss of £129,000 compared with a profit of £1.26m, which was after minorities of £7,000.

Extraordinary items include the continuing costs of reorganisation at Beldry and Greenwich. Negotiations are at an advanced state for the sale of a further area of the Greenwich site for redevelopment (the existing operations to be rehoused in new leased buildings) the surplus on which is expected to exceed the extraordinary *costs of the first half.*

	Half-year 1979 £000	1978 £000	Year 1978-79 £000
External sales	27,139	27,091	54,683
Trading profit	485	1,644	3,054
Share assoc.	41	120	289
Interest	415	206	582
Profit bef. tax	111	1,558	2,761
Tax	26	288	540
Net profit	85	1,270	2,221
Extraord. debit	214	3	*266
Minority prft.	—	7	34
Attrib. loss	129	†1,260	†2,453

* Credit. † Profit

● comment

The news from **Butterfield-Harvey** is very poor. The problems of the recent engineering dispute and the after-effects of last winter's industrial problems made for a 93 per cent plunge in pre-tax profits. At the attributable level, the group is in the red. Public authority spending cuts have also hurt business, particularly in the Swintex rubber mouldings field. Meantime the interest charge has doubled as the group continues its capital expenditure programme. The group was pushed into the red by an extraordinary item of £214,000, a result of the reorganisation of its housewares division and the cost of rates, insurance and administration of excess property. The interim dividend, maintained at 1.3p but uncovered, will be covered by year end, but the question of a final payout remains unclear.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions *shown below are based mainly on last year's timetable.*

TODAY

Interims — Braithwaite, Distillers, G. M. Firth, Haslemere Estates, Pentland Investment Trust, Phoenix Timber, Russell Brothers (Paddington), Sterling Industries, United Gas, Wilkinson Match, Woodrow Wyatt.

Finals — Associated Engineering, Beralt Tin and Wolfram, Burco Dean, Caravans International, Delson, Dubilier, ICL, Lloyds and Scottish, Richards, Saatchi and Saatchi, Stenhouse, Trans-Oceanic Trust, United Scientific, Vaux Breweries.

FUTURE DATES

Interims—	
Brownlee	Dec. 19
Cooper Industries	Dec. 19
Morton and Wright	Dec. 20
Sobranie	Dec. 14
Stead and Simpson	Jan. 6
Finals—	
Cronite	Dec. 20
Sotheby Parke Bernet	Jan. 10
Ward (Thos. W.)	Dec. 14

35% increase lifts Safeway to £9.9m

TAXABLE PROFITS of Safeway **Food Stores,** the UK division of Safeway Stores Inc., advanced 35.2 per cent from £7.3m to £9.9m in the year to September 29, 1979. Sales rose £50m to £259m, an increase of 23.7 per cent.

Pre-tax profit margins improved from 3.5 per cent to 3.8 per cent.

Mr. Terry Spratt, chairman, says the increases illustrates the start of a new superstore development programme which involves the construction of 45 superstores and major extensions to central warehousing costing £100m over a five-year period.

The company has opened seven of these large units to date, bringing the total number of stores operating in the UK to 65.

The chairman is very optimistic about the future and is confident that the presen trate of growth will be maintained into the 1980s.

Bonuses up at Scottish Amicable

A LEADING mutual life company has announced substantially higher terminal bonus rates for with-profit policies becoming claims in 1980.

The Scottish Amicable Life Assurance Society has declared a rate of £1.30 per cent of the sum assured and attaching bonuses for each complete policy year except the first two years. The previous rate was £1 per cent for each year except the first five. This rate applies to with-profits life and endowment contracts, and individual deferred annuities other than Flexipensions.

Therefore, for a policy taken out in January, 1970, for a sum assured of £10,000 the terminal bonus on the new scale will be £1,542 against £741 on the old rate. The maturity value will be £16,371 compared with £15,570—a rise of 5 per cent.

For the company's new style personal pension contract — Flexipensions—a terminal bonus is being paid for the first time when the contract vests and the *pension becomes payable. Its* rate will be 25 per cent of all attaching bonuses, including interim bonus. This rate will also apply to participating superannuation assurances (second series).

The company's flexible endowment plan — Flexidowment — which was launched only a couple of years ago, does not yet qualify for terminal bonus in respect of death claims.

Scottish Amicable is making these improvements to pass on the immediate benefit of higher dividends on its equity portfolio, rather than wait until the next reversionary bonus declaration due to be made for the three years ending December 31, 1980.

Caplan assets overstated by £1m says Pentos

BY JOHN MOORE

Pentos, the group with interests ranging from leisure and garden products to construction, has discovered that assets have been overstated in the accounts of **Caplan Profile,** one of its recent acquisitions, by £950,000. On the stockmarket Pentos shares fell 2p to 57p.

Mr Reginald Harris, formerly the finance director of Caplan, *has* been relieved of all his executive and other functions within the Caplan Group and, according to Pentos, a "sum of approximately £50,000, has been received from him in respect of the matters" referred to.

In a statement issued yesterday, Pentos's chairman, Mr. Terry Maher, says the offer *of £7m* for Caplan, which was made in July, was made "on the *information supplied* to Pentos by the Board of Caplan and verified by Caplan's professional advisers," merchant bankers Singer and Friedlander and auditors, Malvern and Co. "the most important items of which were the Caplan accounts for the year ending August 31, 1978 and supporting information and a formal forecast of pre-tax profits for the year ending August 31, 1979, of not less than £1.4m.

"It is now apparent that the stock figures over several years were not accurately prepared resulting in serious overstatements of assets in the Caplan accounts going back at least to the year ending August 31 1976, resulting in turn in overstatements of the assets in the accounts for the year ending August 31, 1978, totalling approximately £950,000."

He adds that these irregularities have also materially affected the profits of Caplan for the *years in question.*

As an entirely separate matter, it has also become apparent that, as a result of underestimation of the overheads, the pre-tax profits for the year ending August 31, 1979, will prove to be about £1m *compared with the forecast of* £1.4m.

Further investigations are being made by Pentos and further information will be given when Pentos results for the year ending December 31, 1979, are announced.

Mr. Ian Caplan, who has emphatically denied any personal knowledge or responsibility, or legal liability in respect of these matters on behalf of himself and his family, has offered his resignation as a director of Pentos and of Caplan and its subsidiaries, and "that resignation has been accepted with regret by the boards of both companies."

Agreement has been reached between Pentos and Mr. Caplan and his family by which Mr. Caplan and his family will pay to Pentos not less than £700,000 in respect of the asset shortfall by way of adjustment, and it expected that final agreement *will be reached in the next few days.*

Pentos has instructed its *solicitors* to advise in detail on the prospects of recovery in respect of the 1979 profits shortfall as regards the other persons concerned and it is likely that proceedings will, if necessary, be issued shortly against some or all concerned.

CONCENTRIC/SAMUEL GROVES TALKS OFF

Discussions on the possible acquisition by Concentric of Samuel Groves and Co., announced on December 3, have been terminated.

DRG SELLS REDCLIFFE INKS

Redcliffe Inks has been sold by the Dickinson Robinson Group to Ault and Wiborg Group.

Sun Chemical, the world's largest manufacturer of printing ink, has a 46 per cent interest in Ault and Wiborg. Redcliffe will operate as a fully autonomous unit with direct links to Sun Chemical. *The sale takes effect from December 24.*

Redcliffe, employing more than 100 people at Yate, near Bristol and ten more at a distribution depot at Skelmersdale, specialises *in inks for the packaging industry,* particularly for high quality gravure and flexographic printing.

DAVID EVANS £1.7M PROPERTY SURPLUS

A freehold property revaluation at **David Evans,** the privately-owned textile company for which **Sekers International** is bidding £1.6m, has produced a *surplus of £1.67m over book* values. Open market value on a current rise basis is put at £1.95m at November 1.

Sekers' formal offer document says that this gives a net tangible asset figure of £3.3m for David Evans compared with a book value of £1.64m at its latest March 31 year-end.

The offer has already been accepted by holders of around 66 per cent of the David Evans *shares.*

BUSINESS AND INDUSTRIAL OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Companies and Markets

MINING NEWS

High gold price spurs Unicorp mine growth

BY PAUL CHEESERIGHT

THE STRENGTH of the bullion price is spurring Union Corporation gold mines in South Africa to open up new areas for operations, but a shortage of skilled labour is causing acute concern throughout the group.

These salient points emerge from the annual statements, published today, of Mr. E. Pavitt and Mr. L. W. P. van den Bosch, the chairmen of the mining companies.

Ore reserves have been increased by the higher gold price. At St. Helena, for example, reserves have risen to 10.9m tonnes with an average grade of 11.6 grams a tonne, from 7.5m at a grade of 15.5 grams a year ago.

But the fluctuations in the market prices are hindering forward planning at the mine and making more complicated future decisions about the opening up of the Ongegund area to the south of the existing workings. Still, values exposed so far have been encouraging enough to warrant more exploration, Mr. Pavitt says.

Winkelhaak, too, has been encouraged by its exploration work. More is to be done in the north-east of its lease area.

Kinross, meanwhile, has started stoping in the No. 2 shaft area. Production will steadily increase over coming months, while operations are reduced at the southern end of the mine. The higher grade northern area will help to offset yield reductions from the lower grade southern part of the mine, Mr. van den Bosch notes.

Re-equipping of previously unpayable areas at Leslie is being carried out, but Mr. van den Bosch states that the mine's life is dependent not only on the gold price but on the ability to contain costs. However, he confirms the life expectancy to be at least five years.

Bracken's life expectancy is now put at four years, as stoping starts on the farm Witkleifontein within the lease area and prospecting accelerates on the farm outside the lease area.

Unisel, the new mine in the group, continues to build up production and the full output of 75,000 tonnes of ore per month is expected to be reached by the end of this calendar year.

The mine's development, however, has suffered from a shortage of skilled labour, alleviated only by transfers from other mines in the group.

This reflects a more general problem throughout the industry. "The combination of improvements in metal prices and the general optimism of an upswing in the South African economy would indicate that this shortage could become severe," comments Mr. Pavitt.

The difficulty is recognised by the Government in its Economic Development Programme, 1976-1980, and will be addressed by the present official top-level enquiry into economic strategy, announced by Mr. P. W. Botha, the Prime Minister, six weeks ago.

"The ending of job reservation affording equal employment opportunity for all races is now vitally necessary," asserts Mr. Pavitt. "In this regard the report of the Wiehahn commission and the moves to revise labour legislation in South Africa are most welcome."

But such moves are less welcome to the white Mine Workers Union, which staged a strike in March on the grounds that an erosion of the division between white and black would result in the loss of white jobs. So far the industry has failed to convince the MWU that there are likely to be enough jobs for all those with skills.

UK industry wants tax change

THE UK mining industry yesterday urged the Government to take advantage of the benefits afforded by North Sea oil and create a more congenial environment for mining investment.

"It clearly makes sense for some of the benefits of Britain's near self-sufficiency in fuel minerals to be reinvested in the production of metals and other minerals," Mr. Keith Wallis, the retiring president of the Mining Association of the UK told the annual meeting.

The Association will renew its representations to the Government for the removal of tax obstacles which distort investment decisions, Mr. Wallis said. Specifically, he had in mind the double taxation faced by shareholders in UK companies on dividends paid out of overseas income.

At the same time he urged the Government to institute political risk insurance schemes in an effort to encourage greater investment in developing countries.

These demands reflect growing industry concern about the depressed level of investment in mining projects. Pre-occupation with oil has obscured the fact that the world is destined to be short of virtually all metals unless there is a dramatic increase in investment, Mr. Wallis said.

This background argument has been accepted by the European Commission which has advanced plans for an EEC scheme of political risk of insurance. And concern about the stability of metal supplies has led the French and West German Governments to start the stockpiling of strategic minerals.

Mr. Wallis's suggestions would most likely be elements in any newly devised mineral policy of the type urged by industry leaders at last month's London symposium on the availability of strategic minerals organised by the Institution of Mining and Metallurgy.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
3rd qtr.	111.3	104.7	103	110.7	266.6	1,380	213
4th qtr.	110.3	103.1	103	111.7	273.0	1,340	230
1979							
1st qtr.	108.5	101.8	97	110.3	276.4	1,351	234
2nd qtr.	115.3	108.0	107	116.7	297.3	1,299	256
3rd qtr.	112.6	102.8		110.1	300.5	1,269	247
June	117.9	110.3	108	120.3	309.3	1,280	262
July	116.4	107.9	99	108.7	294.4	1,279	253
August	111.6	101.4	106	111.5	304.3	1,265	246
Sept.	110.0	99.0		110.0	302.3	1,264	243
Oct.				111.4	309.5	1,232	237
Nov.						1,282	234

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.0
4th qtr.	106.0	96.8	124.0	96.8	98.9	102.4	20.2
1979							
1st qtr.	105.4	98.1	126.2	97.8	98.5	99.0	12.9
2nd qtr.	109.1	105.1	133.1	103.9	110.2	103.5	21.3
3rd qtr.	105.8	95.2	132.0	93.8	104.3	101.2	20.7
May	109.0	105.0	132.0	104.0	106.0	103.0	20.0
June	111.0	106.0	137.0	105.0	115.0	106.0	25.4
July	109.0	104.0	136.0	103.0	114.0	100.0	22.6
August	105.0	94.0	130.0	92.0	93.0	99.0	18.3
Sept.	104.0	88.0	130.0	86.0	106.0	104.0	21.2
Oct.							20.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	124.8	114.9	−0.367	+0.299	−501	106.1	16.55
4th qtr.	134.8	112.3	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.7	117.1	−1.579	−1.140	−234	107.6	16.78
2nd qtr.	135.0	130.9	−0.714	−0.714	−227	107.5	21.69
3rd qtr.	132.4	128.3	−0.311	−0.311	−166	108.0	23.18
June	130.3	129.2	−0.245	−0.245	− 50	106.5	22.07
July	133.3	126.9	−0.046	−0.046	− 44	109.2	23.49
August	131.1	130.0	−0.147	−0.147	−130	108.1	23.30
Sept.	132.8	128.0	−0.118	−0.118	+ 8	106.9	22.75
Oct.	129.7	133.0	−0.339	−0.339	− 85	106.1	22.49
Nov.							22.42

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS. inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
June	9.7	17.2	28.5	+ 885	125	680	14
July	7.1	14.3	34.1	+ 439	229	630	14
August	6.1	12.4	29.8	+1,052	293	634	14
Sept.	11.5	9.9	13.2	+ 923	411	616	14
Oct.	15.7	15.1	14.8	+1,566	544	664	14
Nov.							17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.3	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	161.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.1	167.3	176.4	231.1	231.9	301.66	71.0
June	150.9	164.8	170.9	219.6	230.0	293.55	69.3
July	155.6	165.4	174.8	229.1	231.2	278.92	71.9
August	153.2	166.5	176.3	230.9	231.8	290.04	71.4
Sept.	153.5	169.7	178.2	233.3	232.6	301.66	69.8
Oct.		175.7	180.3	235.6	234.8	291.24	66.9
Nov.		178.0	181.4			297.22	69.6

* Not seasonally adjusted.

ROUND-UP

Gold Mines of Kalgoorlie, the Australian company, is closing its London share register on January 1, but the shares will continue to trade in London under Rule 163(1)(E).

* * *

Anaconda, the Atlantic Richfield subsidiary, has discovered significant uranium mineralisation near Jeffrey City, Wyoming. Preliminary work indicates a deposit containing 40m lbs of uranium. Anaconda has 50 per cent of the joint exploration venture with Pioneer Nuclear and Texas Eastern Nuclear each holding 25 per cent.

* * *

Leichardt Exploration, the Australian company working on the Aukam diamond prospect in Namibia, said its preliminary stream sampling was encouraging and had shown fresh kimberlite indicator minerals.

NORTH AMERICAN NEWS

FCC close to decision on international services

BY STEWART FLEMING IN NEW YORK

IN A MAJOR step towards the further deregulation of the U.S. telecommunications industry, the Federal Communications Commission (FCC) was yesterday examining whether to permit American Telephone and Telegraph Company (AT and T) to offer telex and facsimile transmission services over its existing international telephone lines.

The FCC has been conducting *examination of the international* non-voice communications markets and has found that the major international carriers, International Telephone and Telegraph, RCA, Western Union *International—recently acquired* by Xerox Corporation, and TRT Telecommunications, a subsidiary of United Brands, have been earning rates of return well in excess of levels *authorised by the FCC.*

The FCC staff have recommended to the Commission, which was meeting yesterday morning to examine the issue, that rather than impose price *cuts on telex rates, the FCC* should stop limiting authority to provide telex services to these four companies and open up the market to international competition.

Observers expect the FCC to follow this recommendation, a move which would almost certainly bring Western Union Corporation — which is not related to Western Union International—and American Telephone and Telegraph into the international market for non-voice service. AT and T has had *an effective monopoly in* the domestic U.S. telephone market for voice services although over the past decade, FCC decisions have steadily permitted increasing competition in its market. *With the growing convergence* of computer and telecommunications technology, and the rapidly expanding market for data communications, AT and T has been facing intensifying competition.

FCC moves to open up large segments of AT and T's business to increased competition have resulted in AT and T itself becoming more aggressively competitive, and this is one factor which leads to expectations that it will want to expand into international communications.

Evidence of the growing commitment of several major companies to the telecommunications market, including giants like International Business Machines, has been evident in the past few years.

Only this week Xerox, best known for its office copier products, announced the formation of what it calls its "ethernet" *communications network, which* will ventually permit text processing and printing equipment in offices in different cities to be linked.

Separately, General Tele*phone and Telegraph disclosed* that it was intensifying its competitive efforts in this "office of the future" market in competition with such rivals as AT and T, IBM and Xerox. *GTE is proposing to increase* from 90 to 250, the cities in which its telenet communications network is represented to introduce next year a new computer-based electronic message *and communications service* and to start using satellites in its telenet system in 1981.

3M optimistic on U.S. recession

ST. PAUL — Minnesota Mining and Manufacturing, commonly known as 3M, and which had two years of earnings declines in the 1974-75 recession, is more optimistic about its prospects if there is a recession next year, according to Mr. *Lewis W. Lehr,* vice-chairman and chief executive. Although Mr. Lehr declined to make a forecast for next year he said: "We don't think it's going to be like 1974-75." Similarly, he *would not predict earnings for* the 1979 fourth quarter, but emphasised that the company has not been affected much yet by a slowdown in the economy, adding that there was not a "product" group that did not look good today.

In the 1978 fourth quarter, 3M, which is a diversified manufacturer, had a net income of $147.2m or $1.26 a share on sales of $1.19bn. For the whole *of last year earnings were $563m* or $4.83 a share on sales of $4.66bn. In the first nine months of 1979 the company had a 16.5 per cent increase in net income on a 17.2 per cent rise *in sales over the same period* of 1978.

3M was hit hard by the last recession and price constraints have put pressure on pre-tax margins this year, but Mr. Lehr said that a healthy economy overseas and a milder downturn in the U.S. should combine to make any recession next year less severe than that of 1974-75.

Pressure on pre-tax profit margins caused by compliance *with federal price guidelines* should ease somewhat next year. Under the guidelines 3M will be able to raise its prices by about 4 per cent in 1980 compared with slightly under 3 per cent in *1979. Through the first nine* months of 1979 the company's pre-tax profit margin slipped to 21.7 per cent from 22.4 per cent *for all of 1978.* AP-DJ

Hong Kong bank faces new snag in Marine bid

By Our New York Correspondent

A NEW CHALLENGE to Hongkong and Shanghai Banking Corporation's acquisition of control of the 13th largest *U.S. bank, Marine Midland,* has emerged in Washington.

Mr. Benjamin Rosenthal, a New York congressman, has written to the Federal Reserve Board and to the Comptroller of the Currency, asking the FED to reconsider its decision to grant approval of the Hong Kong bank's acquisition of control of Marine Midland. Mr. Rosenthal is questioning whether the FED's approval was invalid because it never formally ruled that the foreign bank's major overseas business was banking or that exempting it from this requirement was in the public interest.

The Hong Kong bank's application for approval of the Marine Midland deal was blocked by New York banking authorities and, as a result, it has had to seek alternative regulatory approval from the Comptroller of the Currency.

Although it is almost 18 months since the deal was first announced, final approval is still awaited. The Comptroller was expected to rule on the merger by the end of the year but it is not clear whether this timetable will be *followed.*

ITT row on compensation for Geneen

By Ian Hargreaves in New York

A LATE twist in a three-year old boardroom battle at International Telephone and Telegraph was taking place yesterday as the Corporation's Board met to consider severance terms for Mr. Harold Geneen, who has run ITT for almost 20 years.

Mr. Geneen announced a few weeks ago that he would step down as chairman at the end of this year, making way for Mr. Rand Araskog who emerged as Mr. Geneen's number two after the sacking in July of Mr. Lyman Hamilton, ITT's chief executive.

Mr. Geneen was expected to remain a director of ITT and its chairman Emeritus—and the company said yesterday that this position had not changed.

What has merged, however, is some disagreement over the compensation due to Mr. Geneen for terminating his chairman's contract one year ahead of time.

He said to be claiming up to $1m a year for five years to cover office and transport expenditures which Mr. Geneen will continue to require for the management *of his growing private invest*ment interests.

These interests, which include stakes in a Kentucky coal venture and in the Pneumo Group, are also said *to be of some concern to* Mr. Geneen's fellow directors who fear the possibility of some clash of interest.

The company was tight lipped about the affair yesterday when the Board meeting was in progress but some observers felt the dispute could indicate continuing tremors from the old board room split between the Geneen faction and the finance-oriented institutional investment interests.

Gain forecast by General Electric

NEW YORK—General Elec*tric reports that estimates of* earnings between $6.10 and $6.20 a share for this year, are in line with company expectations.

The company in 1978 *earned $5.39 a share on sales* of $19.65bn. Total revenues for the period were $20.07bn.

Mr. R. H. Jones, the chairman, noted that the company's 1979 annual report will include inflation-adjusted supplementary data required by the Financial Accounting Standards Board. The company has used Lifo inventory accounting for 25 years. Reuter

G and W sees 'flat' year

PHOENIX—Gulf and Western Industries (G and W) expects earnings for the year to July 31 to be "relatively flat" compared with the $227m or $3.35 a share reported for fiscal 1979, Mr. D. N. Judelson, its president, told the annual meeting.

The company did not expect its Paramount Pictures subsidiary or its financial services operations to exceed their fiscal 1979 results but he predicted that the motion pic*ture Star Trek "will be an* outstanding success for us," he said. AP-DJ

INTERNATIONAL CAPITAL MARKETS

French court rejects Iran plea to free Citibank funds

BY OUR FINANCIAL STAFF

THE FRENCH Civil Court yesterday refused to order the Paris branch of Citibank to release Iranian funds frozen by President Carter on the grounds that they were on time deposit, court officials said.

Bank Markazi, the Iranian central bank, sought the release of $50m on deposit with Citibank.

In a decision regarded as *largely involving a technicality,* the officials said, the Iranian request was denied because the funds in question were not due for release until December 19. Counsel for the central bank had said earlier this week that the funds were blocked when Citibank refused to convert them into sterling.

Meanwhile, a warning that a crisis of confidence for the world *monetary system could emerge* from a false judgment of, and jittery reaction to, the events in Iran has come from a leading West German banker.

Dr. Wilfried Guth, of Deutsche Bank, speaking to the press in Dusseldorf, stressed that such a crisis would be the "biggest triumph" of the Ayatollah Khomeini.

Dr. Guth was careful to avoid specific criticism of either the U.S. administration or U.S. *banks on their stand so far on* Iran. However, his words were widely interpreted as an appeal for a further measured response by the U.S. and its allies to the Tehran embassy hostages, with the accent on diplomatic pressure rather than on the imposition of a trade embargo or even military action.

The fear is that an embargo might not only strengthen the *resolve of the Iranian Revolu*tionary Council, but lose the U.S. much of the world support it has already gained, seriously weaken the dollar and damage the international payments *system.*

Dr. Guth said that he had been assured by Morgan Guaranty Trust that its action in obtaining a restraint order of Iran's holdings in the Krupp group had been dictated solely by the U.S. bank's determination to safeguard its own claims on Iran. It had not been an effort to draw West Germany more closely into the dispute between Washington and Tehran.

The Iranian Government has now carried out its intention to appeal to the Swiss Federal Court against a decision refusing it access to information held regarding the Shah's St. Moritz *villa.*

Last month Canton Grisons upheld a local land registry judgment that no information should be divulged other than the statutory land-holding agree*ment.*

Iranian legal representatives claim that documentation on the villa is a prerequisite for future legal proceedings in Switzerland in connection with the Shah's *Swiss assets. The appeal to the* Federal Court is part of the steps which Iran is to take following the refusal by the Swiss Government last March to block Swiss assets of the Shah and his family.

Wickes buys Gamble-Skogmo

BY OUR FINANCIAL STAFF

THE BOARD of Gamble-Skogmo, the mail order group, and that of Wickes Corporation, have reached an agreement in principle for Wickes to acquire Gamble for debentures and non-convertible preferred stock with an aggregate market value of $200m, worth about $45 a share, based on Gamble's current capitalisation.

The terms call for a new holding company to be established to serve as parent for both companies. Wickes shareholders would receive common of the new Wickes holding company for their current Wickes shares.

Gamble said the transaction is subject to further review by both companies, approval by both Boards and by shareholders of both.

Wickes, a leading retailer of lumber and other building products, with interest in furniture as well as in agricultural and industrial products, earned $34.4m or $3.14 a share in 1978-79 on sales of $1.9bn.

For the current year, earnings of $3.35 a share have been predicted. Growth in the home improvement division is regarded as a bull point for both the immediate and longer-term future.

Gamble-Skogmo, based in Minneapolis, earned $23.2m or $5.47 a share last year, with general retail merchanising turning in 24 per cent of profits, catalogue operations 34 per cent, and Canadian merchandising 11 per cent.

Warner and Swasey gets rival offer worth $240m

BY OUR NEW YORK CORRESPONDENT

IN AN effort to escape the clutches of Montreal-based Dominion Bridge Company, Warner and Swasey, a leading U.S. manufacturer of machine tools, has reached agreement on a takeover offer from Bendix Corporation probably worth in excess of $240m.

Bendix, which supplies brakes and spark plugs to the car industry and equipment to the aerospace and construction industries, is offering $70 a share for 1.6m of Warner's 3.94m common shares. In addition, at least 51 per cent of the machine toolmaker's stock will be converted into Bendix convertible preferred stock following completion of the cash tender offer.

This compares with the $57 a share cash offer proposed by Dominon Bridge, an offer Warner has resisted and decleared to be inadequate.

Bendix reported revenues of $3.8bn in its fiscal year ended September 30: net income was $162m.

Food unit sold off by Colgate

By Our Financial Staff

COLGATE-PALMOLIVE said its subsidiary Riviana Foods has agreed to sell its Kosher food company Hebrew National Foods to I.P. Enterprises for an *undisclosed amount.*

Colgate-Palmolive said the sale of Hebrew National which accounted for $54m out of Colgate-Palmolive's $4.3bn in sales in 1978, would not have a "material effect" on Colgate's financial results.

First-ever Eurobond in Norwegian currency

By Francis Ghilès

THE FIRST-EVER Eurobond denominated in Norwegian krone was launched yesterday for Nordic Investment Bank through a group of international banks headad by Den Norske Credit Bank. The borrower is paying a 10 per cent coupon for a NKr60m ($12m) five-year bullet issue.

In the dollar sector of the market, prices of straight issues see-sawed with the currency rate. They fell sharply in the morning in reaction to the weakness displayed late on Tuesday in the New York market and the weakness of the U.S. currency. However, they later recouped some of the earlier losses as the dollar recovered on exchange markets. Losses *ranged to half a point on the* day.

The recently-completed $125m floating rate note for Midland International Services started trading yesterday and was well received in the secondary market. It was quoted by the lead manager, S. Montagu, at 99¾-99⅞.

A $30m issue with a five-year bullet maturity has been completed for Aquitaine of Canada, the subsidiary of the state French oil company. Societe Generale is leading this issue which has been fully underwritten. The borrower is paying a coupon of 11¾ per cent and the bonds, which have been priced at par, can be called at 100½ after three years and at 100¼ after four.

Prices in the Deutsche-Mark sector eased a fraction on the day in thin trading. A DM 150m public offering for the European Coal and Steel Community was launched through the Deutsche Bank. This issue, which has a maturity of 10 years bears an indicated coupon of 7¾ per cent.

The two issues for the World Bank being arranged by Deutsche Bank—a DM 250m 11-year public offering with a coupon of 7¾ per cent and a DM 100m private placement on identical terms—have both been priced at par. This leaves the amount of DM foreign bonds on offer today at DM 425m.

Meanwhile, IBM France is offering FFr 120m worth of five-year notes through a group of banks led by Banque Nationale de Paris. The borrower is paying a coupon of 11¾ per cent and the issue, which has been fully underwritten, has been priced at 99½ to yield 12.014 per cent.

Prices of French franc Eurobonds have showed little change during the past week and trading remains extremely thin.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on December 12

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	80¾	80⅞	−0½	−0¾	11.88
Alex Howden XW 9½ 91	30	77	79	0	0	13.32
Australian Res. 9½ 84	30	91½	92	−0¼	−0⅞	12.01
Avco O/S Cap. 10½ 87	40	†83½	84	−0½	−0½	13.85
Beneficial Fin. 9½ 87	100	90½	91	−0½	−0¼	11.82
CECA Gr. Rate 10½ 91	150	85⅞	86½	−0⅛	−0⅜	11.73
CECA 9¾ 99	125	†81	81½	−0¼	0	12.67
Canadian Pacific 9¼ 89	50	90½	90¾	−0½	−0¼	11.45
Carter Hawley 9¾ 86	50	90	90½	−0½	−0¼	11.86
Comalco Inv. E. 10¼ 91	40	90⅞	91⅛	−0⅜	+0¼	11.66
Continental Grp. 9⅛ 86	100	90¾	91¼	−0⅛	−0¼	11.63
Dome Petroleum 10 94	50	88⅞	89⅜	−0¼	+0⅛	11.56
Dominion Bridge 10¼ 84	30	95¼	95¾	−0¼	+0⅛	11.54
Dow Chem. O/S 9⅝ 84	200	87⅞	88⅛	−0½	−0⅝	11.33
EIB 9⅞ 87	150	93½	93⅞	−0⅜	+0⅛	11.49
EIB 10 89	150	88½	89¼	−0¼	−0⅜	11.80
EIB 10¾ 87	100	94¾	95¼	+0¼	+1	11.45
EIB 10.15 99	100	90⅞	90⅝	−0⅛	+0⅛	11.71
Export Dv. Cpn. 9¾ 84	100	91¾	92¼	−0⅜	−0⅛	11.73
Export Dv. Cpn. 9½ 84	150	93⅛	93⅝	−0⅜	−0⅜	11.10
Finland 9⅝ 89	100	90	90¾	−0¼	+0¼	11.61
GTE Finance 9½ 84	50	92⅝	93⅛	−0¼	−0¼	11.71
GTE Finance 9¾ 89	55	88⅞	89¼	−0¼	−0¼	11.67
GMAC 9¼ 86	100	89¾	90¼	−0½	−0¼	11.49
Gould Int. Fin. 9¾ 85	60	92⅝	93	−0⅛	−0⅛	11.66
Hudson Bay Co. 10 94	50	90	90½	−0⅜	−0⅜	11.41
ITT Antilles 9½ 89	75	86½	87	−0⅜	−0⅜	11.89
Kennecott Int. 9½ 86	100	87½	88	−0⅛	−0⅛	12.34
Manitoba 9½ 89	75	88¼	88⅞	−0⅜	−0⅛	11.55
Michelin 10 94	125	88¼	89¼	−0¼	−0⅛	11.65
Nat. Des. Telecm. 9½ 86	100	90⅞	91⅜	−0⅛	−0⅛	11.48
New Brunswick 9¾ 94	75	86¾	87¼	−0¼	−0⅛	11.65
Newfoundland 10 94	50	90⅝	91⅛	−0⅜	−0⅜	11.30
Norges Komm. 9⅞ 99	100	88⅞	89⅜	−0⅜	+0¼	11.67
Norway 9½ 84	150	92⅝	93⅛	−0¼	+0⅛	11.63
Nova Scotia Pwr. 9¾ 89	50	88¾	89¼	−0½	−0⅛	11.71
Occidental Fin. 10¼ 84	50	94¾	95¼	0	0	11.71
Orient Leasing 9½ 86	25	88⅛	88⅞	0	0	12.08
Pennwalt O/S F. 9¾ 84	25	92½	93	−0½	−0⅛	11.89
Pepsico Cap. 9⅝ 84	100	93⅛	93⅝	−0⅜	−0¼	11.28
Quebec Hydro 10 99	75	87⅝	88½	−0⅜	−0⅞	11.58
Sears Roebuck 9 82	150	94	94½	−0⅛	−0¼	12.12
Statoil 9⅝ 89	100	89⅜	89⅞	−0¼	−0⅛	11.44
Sweden 9⅝ 89	100	89½	90	−0¼	−0¼	11.57
Sweden 9½ 89	200	91¾	92½	−0½	−0⅜	11.58
Sweden 9¾ 84	100	93	93½	−0¼	−0¼	11.67
Unilever NV 9¾ 87	100	88¼	88¾	−0¼	−0¼	11.58
Warner-Lambert 9 84	100	91⅜	91⅞	−0⅜	−0⅛	11.42

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	97½	98¼	−0½	−0½	8.40
Argentina 7½ 89	150	93¾	94½	0	−0⅛	8.42
Asian Dev. Bk. 7⅛ 89	100	93¾	94½	−0¾	−0⅜	8.14
Banco Desarrollo 7¼ 86	100	94⅝	95⅜	−0⅛	−0¼	8.30
Barclays O'seas 6¾ 89	100	93⅞	94⅞	+0⅛	+0⅜	7.60
Brazil 8 87	150	97⅜	98¼	0	−0⅜	8.40
CECA 7 91	150	93⅞	94⅛	+0⅛	−0⅛	7.77
Council of Eur. 7¼ 88	100	96¼	97	−0⅜	−0⅞	7.76
EEC 7⅞ 94	225	98¼	99	+0⅛	−0¼	8.03
EIB 7½ 89	200	98½	99¼	−0⅜	−0¼	7.66
Eletrobras-Brazil 7 87	100	93½	94¾	−0⅜	+0⅜	8.16
Eurofima 6½ 89	100	95⅝	96⅜	0	−0¼	7.11
Kobe, City of 7⅛ 89	150	96¾	97½	0	−0⅜	7.54
Mitsubishi Chem. 6½ 84	70	96⅛	96⅞	−0⅛	−0⅜	7.45
Neder. Gasunie 8 86	100	102½	103	−0⅜	+0⅛	7.48
New Zealand 7⅛ 87	200	97⅞	98⅝	−0⅜	+0¼	7.42
Nippon Koken 6½ 84	100	95⅝	96½	−0⅜	+0¼	7.61
Nippon Tel. & T. 5½ 87	100	88¾	89	+0⅛	−0⅜	7.62
Norges Komm. 7¾ 91	150	101	101¾	−0½	+0⅜	7.56
Norges Komm. 8¼ 94	150	100⅝	101⅛	0	−0½	8.15
Norway 6¼ 84	200	96⅜	97½	−0⅜	−0½	7.04
OKB 6 87	40	89½	90½	0	+0⅛	7.88
OKB 7⅛ 89	100	97⅜	98½	+0⅛	+0⅛	7.70
Tokyo Elec. Pwr 6½ 85	200	95½	96¼	−0⅜	−0⅜	7.44
World Bank 7¾ 91	400	98⅜	98⅞	+0⅛	−0⅜	7.93

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	96½	97	+0⅛	−0⅜	5.95
Aumar 5 89	60	94⅜	94⅞	−0⅛	−0¼	5.72
Australia 3⅝ 89	250	90¼	90⅝	−0⅜	−1¼	4.95
Bergen, City of 4¾ 91	40	†96½	97	+1	−0½	5.13
BNDE 5 89	75	†90	90¼	+0⅛	−0⅜	6.40
BMW Overseas 4¼ 91	100	95⅜	95⅞	0	−1	4.72
Caisse Nat. Tele. 4⅛ 89	100	96	96¼	0	−1¼	4.88
Canada 3⅝ 89	300	90¼	90½	−0⅜	−1⅞	4.96
Copenhagen 4½ 91	60	95¼	95½	−0⅜	−1⅛	5.03
Council of Eur. 5 89	100	97⅜	97⅝	−0⅜	−0¼	5.33
EIB 4½ 91	100	92½	93	−0⅞	−0⅜	5.35
EIB 4⅝ 94	100	87⅜	87⅞	−0⅞	−1⅜	5.62
Elec. de France 4⅛ 89	100	96⅝	97⅛	−0¼	−0⅜	4.78
GZB 4¼ 89	100	92⅞	93⅛	+0¼	−0⅜	5.17
Hilti 4½ 91	35	97⅞	98¼	−0¼	−0¼	4.47
ICI Fin. NV 3½ 94	230	80½	81	−0½	−1½	5.48
Int.-Amer. Dev. 4½ 89	100	92⅜	93	0	−0⅜	5.47
Malaysia 5 89	80	90⅜	91	−0⅛	−0⅜	6.27
Nippon Tel. & T. 4¼ 89	100	96⅛	96¼	−0⅛	−0⅞	4.77
Nordic Bank 5 89	45	98½	99	+0½	+0½	5.16
Norges Komm. 4½ 91	100	93⅛	93⅜	+0¼	−0⅜	5.15
OKB 3¾ 91	100	84⅜	84⅞	+0⅛	−1½	5.61
OKB 4⅝ 91	100	91⅜	92	+0⅛	−1	5.32
Oslo, City of 4⅝ 91	100	91⅞	92¼	+0¼	−0⅜	5.30
Shikoku El. Pwr. 4⅝ 89	100	98⅜	98⅝	+0¼	−0⅜	4.96
Spain 4 91	100	†91½	92	+0⅛	0	4.97
Steweag 4⅝ 91	80	97½	97¾	−0⅜	−0⅜	6.02
Voest-Alpine 4⅝ 89	90	98½	99	−0⅜	−1½	4.91
World Bank 4⅝ 89	100	96⅜	96⅞	0	−2¼	5.06
World Bank 4⅝ 89	150	93½	93¾	0	−1⅛	5.22
World Bank 4⅝ 91	100	93⅜	93¾	−0⅜	−0⅜	5.36

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	88⅝	89⅛	0	+0⅜	9.27
Australia 6½ 88	20	84⅜	85⅛	0	+0⅛	9.12
EIB 7⅜ 89	12	97⅜	98⅛	−0⅛	+0⅛	8.01
Finland 5.6 83	10	87⅞	88⅞	0	+0½	9.32
Finland 6.8 88	10	93½	93¾	−0½	−0⅜	5.36

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¼ 86 C$	25	88⅝	89⅛	0	+0¼	12.86
Bell Canada 10¼ 86 C$	60	94⅞	95	0	+0⅞	11.80
Cr. Foncier 10⅜ 84 C$	30	91½	92	0	+0⅞	12.76
Ex. Dev. Cpn. 10 84 C$	50	92⅝	93⅛	0	+0⅜	12.09
Fst. Can. Inv. 10 84 C$	50	91⅞	92⅛	+0⅛	+0⅜	12.37
Hudson Bay 10½ 89 C$	50	91⅜	91⅞	0	+0⅞	12.04
Quebec 10½ 86 C$	50	91	91¼	−0⅛	+0½	12.25
R. Bk. Canada 10 86 C$	40	93⅛	93⅝	0	+1⅛	11.48
R. Bk. Canada 10 84 C$	40	86⅝	88⅝	−0½	+0½	12.01
Copenhagen 8¾ 91 EUA	25	94	95¼	−0¼	−0⅛	9.01
Copenhagen 8¾ 91 EUA	20	99½	100¼	−0¼	−0⅜	8.72
SOFTE 8½ 89 EUA	40	90	91¼	−0½	−0⅜	9.82
Algemene Bk. 8¼ 84 Fl	75	96⅜	96⅞	0	−0⅛	9.14
Amev 8½ 86 Fl	75	97⅜	97⅞	0	−0¼	9.02
Ned Middbk. 8¼ 84 Fl	75	95⅜	96⅛	0	−0¼	9.40
Norway 8¼ 84 Fl	100	96⅜	96⅞	+0⅛	0	9.41
Norway 8¼ 84 Fl	100	96⅜	96⅞	−0⅛	−0⅛	9.30
Rabobank 9 84 Fl	25	99⅞	100⅜	+0⅛	−0⅛	9.03
Air France 11 84 FFr	120	97⅞	98⅝	−0⅛	0	11.47
Euratom 9¾ 87 FFr	150	86	87	+0⅛	+0⅛	12.61
Finland 11 84 FFr	80	95⅜	98⅛	0	+0⅛	12.09
Finland 11½ 89 FFr	70	94⅛	96⅛	0	+0⅛	12.34
Gaz de France 11 84 FFr	150	97½	98½	−0⅛	0	11.64
Norway 9¾ 84 FFr	200	89½	90½	0	+0¼	12.43
Renault 9¾ 85 FFr	100	88⅞	89⅞	+0⅛	+0⅛	12.47
Saint-Gobain 9¾ 86 FFr	130	85½	86½	0	−0⅛	13.07
Solvay et Cie 9¾ 87 FFr	125	84	85	−0⅛	0	13.13
Total Oil 9¾ 87 FFr	150	83⅜	84⅜	+0½	+0¼	12.90
EIB 11½ 91 £	25	86⅜	86⅞	+0½	+0⅝	13.88
Finance for Ind. 13 91 £	15	95	95⅜	+0⅛	+0⅛	13.80
Fin. for Ind. 12½ 89 £	30	90⅞	91⅛	+0⅛	+0⅛	14.19
Gen. Elec. Co. 12¼ 89 £	50	91⅞	92⅛	+0⅛	−0⅛	14.01
Indonesia 8¾ 91 KD	7	†93½	94	0	−0⅜	9.65
Mitsubishi 7½ 84 KD	10	†95⅜	95⅞	0	−0⅛	6.67
Norges Kom. 7½ 88 KD	12	†93⅜	93⅞	0	0	8.50
Occidental 8½ 91 KD	7	†90⅜	91⅛	0	−0⅜	9.57
Akzo 9¾ 87 LuxFr	500	96⅜	96⅞	−0⅛	−1	10.05
Euratom 8 87 LuxFr	500	90⅝	91⅛	+0⅛	+0⅛	9.80
Oslo, City of 8 89 LuxFr	500	90⅝	91⅛	−0⅛	0	9.50
Volvo 8¾ 87 LuxFr	500	96⅝	98⅛	0	+0½	9.98

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0¼	99¾	100¼	26/4	15¾	15.75
Banco Prov. BA 7¾ 86	0¾	97½	98	5/6	14⅛	14.83
Banco Urquijo 6 88	0¾	97¼	97¾	21/3	13⅛	13.72
Bank of Ireland 5¾ 88	‡0¼	97⅛	97⅝	21/2	15.69	16.11
Bank of Tokyo 5¾ 89	‡0¼	98⅛	98⅝	25/1	16.19	16.46
Bergen Bk. A/S 6 89	‡0¼	96⅝	97⅛	29/2	14.31	14.77
Bque. Indo Suez 6¼ 89	0¼	97⅝	98⅛	11/1	11	11.21
BNP 5½ 91	0¼	97	97½	22/2	11.94	12.28
Citicorp O/S F. 6 94	‡0¼	98⅛	99¼	8/3	14.44	14.58
Citicorp O/S F. 83	§‡0	99½	100	23/2	15⅛	15.16
Citicorp O/S F. 84	‡0	98⅝	99⅛	29/2	13⅝	13.76
Co-operative Bk. 6 86	0⅛	98	98½	15/5	15.06	15.33
Creditanstalt 5½ 91	§‡0⅛	97⅞	98⅜	14/12	12.94	13.18
CNT 5¾ 86	§0⅛	98⅝	99⅛	16/4	15.19	15.24
GZB 5½ 89	‡0¼	98⅞	99⅛	1/2	15.19	15.35
Jugobanka 8 89	0⅛	94½	95½	23/5	16	16.84
Ind. Bank Japan 5¾ 87	0¼	97⅛	97⅝	15/4	14⅜	14.60
LTCB Japan 5¾ 86	0¼	97⅞	98⅜	13/6	—	—
LTCB Japan 5½ 89	0¼	98	98½	7/6	14.19	14.44
Mfrs. Han. O/S 5½ 94	‡0⅛	98⅛	99	29/2	13.81	13.99
Nacional Fin. 6¾ 86	0⅛	96⅞	97	25/1	11½	11.89
Nat. West. 5¾ 94	§0⅛	97⅜	98⅛	11/1	14.94	15.24
Nippon Cred. Bk. 6¼ 86	0⅛	97½	97⅞	12/1	10⅞	11.17
Royal Bk. Scot. 5¾ 84	§‡0⅛	98½	99	11/1	14.94	15.13
Soc. C. de Bque. 6½ 87	0⅛	96½	97	3/4	13⅛	13.70
Sogenal 5¾ 89	§0⅛	96⅛	96⅞	11/1	10.81	11.19
Sweden 8¼ 91	‡0¼	†97⅜	97⅞	18/1	15	15.38
TVO Pwr. 9 91 (D-lock)	0¼	97⅛	97⅝	24/5	15.31	15.71
Utd Overseas Bk. 6 89	‡0¼	97⅜	97⅞	29/12	12.94	13.29
Williams & Glyn 5¾ 91	0¼	96⅞	97⅜	14/3	13	13.38
Eq. E. d'Alg. 4¾ 89 SF	0⅛	94	94½	18/12	4¾	4.50

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	98	99	0	−10.82
Alco Int. Fin. 9½ 94	1/80	40	93½	94⅜	0	17.18
Asahi Optical 7 94	11/79	605	91⅛	92¼	−1⅛	−0.68
Canon 6¾ 94	8/79	570	102⅛	103⅛	−0⅛	−2.33
Ciba-Geigy O/S F. 4 94	9/79	675	87⅛	88⅛	+0⅛	17.72
Credit Suisse 4¾ 93	10/79	1325	106⅛	108⅛	+0⅛	20.51
Daiei Inc. 6½ 94	11/79	1020	96⅞	97⅞	−0⅛	4.50
Esselte 7¾ 89	9/79	159	93	94	−0⅛	−2.53
Honda Motor 5½ 89	6/79	632	103½	104⅛	0	0.76
LPC Internatnl 8 89	8/79	35	99	100¼	0	4.09
Meidensha Elec. 7 94	12/79	210	98⅛	97⅛	−0⅛	22.58
Mitsubishi Cp. 6¾ 94	10/79	604	135⅛	137⅛	−0⅛	9.20
Nippon Seiko 7¾ 94	12/79	339	91	92	−0⅛	6.95
Nitto Elec. Ind. 6 94	7/79	735	88⅞	90⅛	0	16.83
Toshiba Cpn. 7¾ 94	10/79	198	96	97	+0⅛	10.63
Union Bk. Swtz. 5 89	2/80	125	107⅜	108⅛	+0½	5.06
Fujitsu 5 84 DM	7/79	475	100½	101⅛	+0¼	14.67
Kansai Elec. 4 84 DM	4/79	1234	87	88	0	62.81
Tokyu Ld. Cp. 4 86 DM	4/79	493	80⅛	81⅛	+0⅛	59.87
Uny Co. 6½ 85 DM	11/79	1071	98⅞	99⅛	+0⅛	27.29

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	11.12.79	4.12.79	AVERAGE YIELD	11.12.79	4.12.79
DM Bonds	97.69	97.49	DM Bonds	7.800	7.815
HFL Bonds & Notes	94.64	94.38	HFL Bonds & Notes	9.420	9.373
U.S. $ Strt. Bonds	89.17	89.16	U.S. $ Strt. Bonds	10.974	10.982
Can. Dollar Bonds	89.54	[illegible]	Can. Dollar Bonds	11.814	12.034

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Veba steps up capital spending programme

By Jonathan Carr in Bonn

VEBA, the West German group active in all energy-related sectors, is to invest DM 15bn ($8.6bn) between 1980 and the end of 1984—an increase of almost DM 5bn over the sum spent in the previous five-year period.

The new investment plans, approved yesterday by the supervisory board, put the chief accent on expenditure in the electricity sector, followed by oil and chemicals.

The investment rise reflects the expansion plans of an enterprise which is the country's biggest in turnover terms and which has sharply increased profitability this year.

It also underlines West Germany's urgent need to develop its energy resources as a nation highly dependent on imported fuel and raw materials, and with a relatively high economic growth rate forecast for the 1980s. Veba is 43 per cent owned by the Federal Government and is one key instrument through which the state can hope to see its energy aims realised.

Veba has about a 15 per cent market share of West Germany's electricity sales—and this sector has been the cornerstone of the group's profitability. Total Veba net profits in the first nine months of this year more than doubled to DM 295m compared with DM 114m in the same period of 1978.

WEST GERMAN ENGINEERING

M.A.N. forecasts sales improvement

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN truck and bus manufacturer and engineering group, M.A.N., is expecting sales to increase by more than 10 per cent in the current year ending June 1980. Demand is running at a high level particularly for trucks and buses, large diesel engines, and printing machinery.

A new range of 6-9 ton trucks, developed jointly with Volkswagen, was introduced to the market in the autumn, and orders for large marine diesel engines is picking up as a result of the start of the long-awaited recovery of activity in the shipbuilding industry.

The group is still facing problems in its energy division, however, because of the total absence of new power station orders. Herr Otto Voisard, chairman of the executive board, warned that M.A.N. would be forced to withdraw from the nuclear industry—it is the only German company with the capability to manufacture certain heavy reactor components, pressure vessels and steam generators — if no new orders were received by the end of 1980.

A number of German nuclear power station projects are facing severe delays as a result of determined political and environmental opposition.

In addition M.A.N. is suffering from a serious lack of skilled workers in several of its manufacturing activities. It is presently trying to fill more than 100 vacancies and it has also found it impossible to fill all the apprentice and training posts offered.

New orders received by the company in the first four months of the current year have shown a sharp increase, rising by 24 per cent from DM 1.16bn to DM 1.45bn ($835m). The main impetus has come from the domestic market with the value of new orders rising by 36 per cent, compared with only a 9 per cent rise in export orders.

In contrast to last year, the value of new orders is running ahead of total finished sales, which reached DM 1.12bn ($576m) in the four months to the end of October compared with DM 1.15bn in the same period last year.

Sales for the total MAN group are expected to rise to DM 7.7bn-DM 7.8bn in the current year compared with DM 7.1bn in 1978-1979, said Dr. Gerd Wollburg, deputy chairman of the executive Board. But there was unlikely to be any improvement on last year's profit performance, which showed a net income of DM 70m. Dr. Wollburg refused to give any dividend forecast for the current year. Last year MAN paid an unchanged dividend of DM 7 per DM 50 share.

Following the breakdown earlier this year of talks on a merger with White Motor of the U.S. for the manufacture of diesel trucks, MAN is pursuing other co-operative ventures in the U.S.

Herr Voisard said that the company was in negotiation with a number of U.S. companies in the search for a co-operative venture to manufacture buses. Earlier co-operation with a subsidiary of American Motors (AMC)—about 410 MAN articulated buses were fitted out in the U.S.—came to an end with AMC's withdrawal from the bus market.

Existing MAN companies in North America are pursuing the group's interests in printing machinery, steel construction and mechanical engineering, but the company has no new schemes for starting truck manufacture — MAN's dominant activity — in the U.S.

Profits upturn at Metallgesellschaft

BY GUY HAWTIN IN FRANKFURT

METALLGESELLSCHAFT (MG), the Frankfurt-based metals, engineering and transport major, substantially improved its profits in the year ended September 30. Shareholders, however, can expect an unchanged 8 per cent dividend: the group is setting aside "substantial" reserves for the restructuring of the loss-making metal processing sector.

Herr Karl Gustaf Ratjen, MG's chief executive, gave no figures for the improvement in earnings. But he described the increase as "not insubstantial."

During 1977-78 the group's earnings dropped from DM 41m to DM 24m ($13.8m). At the same time the dividend, which had remained at 10 per cent—or DM 5 per DM 50 nominal share—was cut back to DM 4 per share.

The profits increase has come about as a result of an upturn in a number of important sectors which were heavily depressed in 1977-78. Herr Ratjen said that operating losses had been considerably reduced in the metals processing sector, while earnings from chemicals and transport operations had shown marked increases.

On the other hand, provision for risks involved in ventures in Iran and Turkey would cost more than DM 30m, said Herr Ratjen. Between DM 20m and DM 30m would be needed for special depreciation in the metals processing sector.

Group turnover for the year ended September 30, rose by 11 per cent to DM 7.89bn ($4.53bn). Domestic sales went up 6 per cent to DM 3.96bn, while overseas sales increased by 17 per cent to 3.93bn.

Above average sales growth was reported in the chemicals sector and the group's metals operations — primarily as a result of price increases for non-ferrous metals. The group's metals trading operations continued to do well, as did the Lurgi engineering group, probably the star in MG's firmament.

Lurgi, which has landed a number of sensational orders for chemical plant from China, ended the business year with an order book worth DM 3.9bn. This is an all-time record for the group and a full DM 1bn over the previous high of DM 2.9bn.

Herr Werner Busch, the finance director, said that capital investment during the year totalled DM 182m compared with a depreciation figure of DM 199m.

The group's investment plans for the current year are estimated to be worth DM 280m. Of this, investment in capital plant was expected to amount to DM 220m, with about half allocated to the processing sector.

The investment will be financed partially through a rights issue, scheduled for January, aimed at raising DM 75m.

Saab-Scania doubles ten-month earnings

By Victor Kayfetz in Stockholm

SAAB-SCANIA, the Swedish truck, car and aircraft group, has more than doubled pre-tax earnings after extraordinary items from Skr [illegible] to Skr 634m ($152m) in the first 10 months of 1979. For 1979 as a whole a figure of about Skr 800m ($191m) is expected, up from Skr 465m in 1978.

Turnover in January-October was up 18 per cent to Skr 10.75bn and Saab-Scania predicts 1979 sales of about Skr 13.5bn ($3.23bn) or 16 per cent above last year's Skr 11.64bn. This is consistent with the forecast two months ago that sales growth would slow.

Ten-month sales in markets outside Sweden rose from 48 to 53 per cent of the total. Liquidity climbed by Skr 206m during January-October and stood at Skr 1.14bn at the end of the period. Investment during 1979 as a whole will drop from Skr 552m to about Skr 500m.

In January-August, the number of Scania buses and trucks sold was 23 per cent higher and the number of Saab cars sold 15 per cent higher.

Unions take ITT to task

By John Lloyd

A CALL for ITT, the communications multinational, to "acknowledge its global responsibilities" came at the close of a two-day conference on the company held by the International Metalworkers Federation in Geneva yesterday.

The conference also called on European governments to compel the company to make public its future plans. It was attended by trade union officials and shop stewards representing the 173,000 workers employed by ITT in Europe.

The company, which has generally expanded production and employment in Europe over the past decade, has recently announced a number of redundancies, especially in its one loss-making division, consumer electronics, which is largely European-based.

Monsanto cuts

By Sue Cameron,
Chemicals Correspondent

The U.S.-based Monsanto chemicals group plans to close sections of Aiscondel, its unprofitable Spanish subsidiary.

Monsanto said that it wanted to shut Aiscondel's polystyrene and chlorine operations at Monzon and to reduce the number of people employed at the head office in Barcelona. Nearly 300 of the 2,300 employees would be affected.

Credit Agricole expanding overseas

ONE OF the largest French banks, Caisse Nationale de Credit Agricole, is planning to expand its international network of offices and is giving particular consideration to Spain and California, because of their potential for banking linked to agriculture, AP-DJ reports from Frankfurt.

At the opening of a representative office in Frankfurt, M. Jacques Lallement, the bank's chairman, said that the recent loss of tax privileges for Credit Agricole within France had definitely encouraged the bank to seek "a new equilibrium," and to make management "more amenable to the opening of new branches" outside France.

In specifying possible places for new branches, the international manager, M. Serge Robert, said that Credit Agricole had traditionally emphasised agribusiness and that California was one of the primary agribusiness centres in the U.S. Credit Agricole recently opened a branch in Chicago and a representative office in New York.

M. Robert said further that Spain represented an important future growth market for agribusiness, likely to be further enhanced by its growing Common Market links. He added that there was also interest in Italy.

SWEDISH SHIPBUILDERS

Gambling on a vessel for all work

BY WILLIAM HALL

WHEN SWEDEN'S fourth largest shipyard Oresund, invited representatives of the big oil companies and the technical press to observe the sea trials of its latest ship earlier this week, it knew it was taking a gamble.

The ship, the Stena Constructor, is the biggest and most powerful multi-puropse support vessel (MSV) yet launched. It has been built to fight fires, send a dozen divers down to 300 metres round-the-clock, install complete sub-sea production systems and double up as a humble supply boat or a floating hotel-cum-hospital.

Normally, shipyards and shipowners like to conduct sea trials of a new ship in secret, so that they can iron out its faults before putting it on show. In fact, during one of the trials, when the four water cannons were pumping out 8,300 tons of water per hour to a height of 70 metres, the Stena Constructor was using so much power that it was unable to maintain its position and the diving tests had to be abandoned.

Both the Oresund Shipyard and the Stena Line are, however, prepared to show off the Stena Constructor, warts and all, because they have a lot at stake. Like the rest of Sweden's shipyards, Oresund is losing money and needs to demonstrate to the Swedish Government that it can drum up new orders without state aid. Otherwise it could be closed.

Meanwhile, Stena Line has invested over $100m in four MSVs (including the Stena Constructor) and needs to see them gainfully employed in an industry which is undergoing rapid technological change and suffers evere overcapacity. If it has got its sums wrong and cannot find work for its new ships the outcome could prove to be financially embarrassing.

Of the two companies, the Öresund shipyard based in Landskrona in southern Sweden probably has most at stake. It built its first ship in 1919 and since then has built 245 more. The shipyard used to be part of the Saleninvest Group but was nationalised along with most other Swedish yards in June, 1977, and is now part of Svenska Varv AB (Swedish Shipyards). It employs around 3,000 people—roughly half the working population of Landskrona. If the shipyard was closed the effect on the local community would be profound.

During the 1950s and 1960s Öresund built everything from passenger ferries to floating docks but in the past 10 years it concentrated on large oil/bulk/ore carriers. This came to an end last year and, in an effort to find new work, the yard is now concentrating on producing a few technically advanced ships. It is only by adopting this strategy that the Öresund's management believes it can combat the fierce competition from yards in places like Japan, Brazil, Taiwan and Korea.

According to Hans Forsberg, Öresund's managing director, the aim is to become one of the most technically advanced yards for building offshore service vessels. For this reason it is pinning its faith on special ships like the Stena Constructor.

Öresund needs orders for four ships a year. The management believes that the total world demand for MSVs, like the Stena Constructor, will run at between four and six ships a year in the 1980s. If it can win just two orders a year it will be keeping half the yard's capacity busy

Although Stena is paying just over $25m apiece for each ship because of the heavy subsidy, the proper price is about $30m-$35m. The real test now for Öresund is whether it can sell ships to foreign owners without the help of subsidies. The company took back responsibility for selling its ships from Svenska Varv earlier this year and has set up a special marketing department.

It needs to show results quickly, however. The Swedish Government is currently mulling over plans for further massive cutbacks in shipbuilding and one of the recommendations of a controversial report from the Boston Consulting Group, leaked to the Swedish Press recently, is that the Öresund shipyard in Landskrona, as well as the Arendal yard in Gothenburg, should be axed.

The big advantage of the Stena Constructor is its price. Even at $35m it is less than half the price of the new submersible being built for Seaforth Maritime and Shell Expro in Finland. This 22,000-ton vessel is costing around $90m, which in turn is considerably less than the $150m which is would have cost in Britain.

Öresund is hoping that the Stena Constructor will be the first of a long line of cut-price competitors of semisubmersibles. The big advantage of a semisubmersible is that it is highly stable in even the roughest weather, which means that it can continue working and sending divers down. Several divers have died in the North Sea because their diving support ship could not maintain its position during gales and severed their life support systems.

Although the Stena Constructor is mono-hulled, its builders claim that it is nearly as stable as a semisubmersible and with its dynamic positioning (DP) system it is designed to maintain its position in every kind of weather. Whereas an ordinary diving vessel can operate for 70 per cent of the time, the Stena Constructor aims to operate for 80-85 per cent of the time, which compares with utilisation rates of 90-95 per cent for semisubmersibles. In the North Sea, where semisubmersibles can be commanding up to $100,000 a day, high utilisation is important.

For the Stena Group the large investment in its fleet of four MSVs is both a big departure and a major act of faith. Unlike some of its larger rivals such as the Salen and Brostrom Group, Stena has weathered the world shipping recession surprisingly well.

The company operates 23 ships and employs just under 2,000 staff, 1,500 of them seagoing. It has an annual turnover of $200m and has recently been investing heavily in new tonnage.

In 1977-78 Stena took delivery of 11 9,000-ton RO-RO ferries from South Korea and it has on order six new ferries which will carry 2,500 passengers and 750 cars. Altogether it has $300m of ships on order.

As with its new ferries, Stena is gambling that its four MSVs will find their niche in the market before they are made obsolete by new ships still on the drawing board. As Furness Withy has found with its Uncle John—one of the first semisubmersibles—it is possible to make a killing if one can judge the market right. Although it does not have all the capabilities of the Uncle John, the Stena Constructor costs roughly half as much to hire. Both Stena and Öresund hope they have found the right formula.

SWEDEN'S MAJOR SHIPYARDS
1978

	Ships No.	Launched Tons gross ('000)	Pre-tax Loss SKr.m	Employees
UDDEVALLA	4	440	169	2,886
KOCKUMS	2	258	47	4,700
ARENDAL	6	239	606	4,120
ORESUND	5	121	118	3,056

هكذا من الأصل

Murdoch agrees to raise stake in Ansett

BY JAMES FORTH IN SYDNEY

THE STRUGGLE for control of the A$170m (US$189m) Ansett Transport Industries, the airline, transport and television group, is virtually over. Mr. Rupert Murdoch, head of the News Ltd. newspaper and media group, will take over from the Ansett founder, Sir Reginald Ansett as chief executive of the group. The 70-year old Sir Reginald will remain on the board of the empire he founded as a non-executive chairman. As part of the latest arrangement News will buy the 20 per cent stake in ATI held by Ampol Petroleum.

The deal has, however, angered another major ATI shareholder, Thomas Nationwide Transport, which owns almost 22 per cent under an agreement entered into in 1972 following an unsuccessful takeover bid for ATI. TNT has three representatives on the ATI board, and at a special board *meeting of ATI called yesterday* to consider the News deal, asked for this restriction to be waived to allow TNT to make a bid for ATI.

In Sydney last night, Sir Peter Abeles, the TNT chief executive, said that TNT was not prepared to offer more than A$2.25 a share. This is the price which News is offering on the market at present in a buying order for four million ATI shares, or 5 per cent of the capital. It is also the same price as News will pay Ampol for its ATI stake.

News has agreed to pay A$2.50 a share to the West Australian businessman, Mr. Robert Holmes a Court for his 15 per cent interest in ATI, after ATI's having pulled out of an earlier arrangement, which entailed ATI buying Mr. Holmes a Court's interests in the Bell Group and the WA businessman buying out the ATI interests of the other major shareholders, TNT, News, and Ampol. *Acquisition of the Ampol parcel* will give News 47 per cent of ATI.

News is expected to keep buying in the market but will not *go beyond 50 per cent of the* capital. Ampol could not sell to News unless ATI agreed.

Ampol started buying shares in ATI a few months ago, after Mr. Holmes a Court first made *a move. It quickly* built up a stake of 20 per cent, but ATI retaliated by buying 20 per cent *of Ampol on the market*—and Ampol sued for peace. The two companies then signed an agree*ment not to act against the* interest of the other. The ATI board has *now* released Ampol from "certain commitments" under this agreement, at the request of Ampol.

This cleared the way for Ampol to sell its ATI holding. It also appears to have removed the restrictions governing Ampol's actions with regard to its ATI stake. Sir Reginald said that, subject to the approval of the Australian Broadcasting Tribunal, ATI would register *the share transfer from Ampol* to News or its nominee. This is necessary because ATI has *television interests* and there are legislative restrictions governing equity participation *in television.*

News had previously said that it intended to sell one of ATI's two television stations, but the ATI board had refused to register shares held by News *because of possible breaches of* the Broadcasting and Television Act. ATI has now agreed not *to oppose the registration of* shares acquired by News and its associates.

*Sir Reginald yesterday con*firmed that the Brisbane television channel would be sold. He also said that an undertaking had been given that the ATI structure would continue unchanged. "This has been very important to me and I believe that the new arrangements are the best that could be made in the interests of the company, its shareholders and *its employees.*"

The latest ATI move comes hard on the heels of an A$100m *attempt* by News to gain control of Australia's largest press group, Herald and Weekly Times, which would have extended its newspaper and television interests, particularly *in Victoria. The bid* was thwarted by an A$75m sharemarket operation organised by *the Sydney press group, John* Fairfax, and Queensland Press, an associate of HWT.

Sir Peter Abeles and Mr. Fred Millar, the TNT chairman, last night claimed that Sir Reginald had withheld *details of the* talks from them. They said that TNT, mindful of its ATI Board representation, wanted to ensure that minority holders were not denied the opportunity to receive current prices. The ATI Board has refused to allow TNT to bid but has appointed a sub-committee to look at the matter.

Bahrain to take full oil control

By Mary Frings in Bahrain

AN AGREEMENT will be signed *in Bahrain on* Saturday *to end* the mining lease granted to the Bahrain Petroleum Company (BAPCO) in 1934, and give the state full ownership of its oil resources and production facilities.

This leaves Saudi Arabia, Oman and the UAE as the only Gulf oil producers still involved in participation agreements with foreign oil companies.

The first oil concession in Bahrain was given in 1925 by Sheikh Hamad Bin Isa al-Khalifa, grandfather of the present Emir, to a British group, the Eastern and General Syndicate. The group did not exploit it. The option eventually passed to the Standard Oil Company of California (SOCAL). The latter formed a subsidiary company, BAPCO, to operate its concession, and the transfer became *fully* effective with the granting of the 1934 mining lease.

Refinery construction began in 1935, and in June, 1936, the Texas Company (now Texaco), *acquired a half share in Bapco in return for marketing* facilities. At the same time SOCAL and Texaco formed a joint marketing company, Caltex.

Ownership participation talks began about seven years ago as part of a general change in the relationship between international oil companies and producing countries.

In Bahrain, 25 per cent participation became effective in *1973, but negotiations* began on increasing the state's interest to 60 per cent even before this agreement was signed.

Last August, a Government official said that 100 per cent ownership would increase the State's revenue from crude production by only about $5m a year, but the present uncertain pricing situation has discouraged *further* estimates.

The transfer of assets from BAPCO *will be made at their* book value as of December 31, 1978, and any expenditure after that *date will* be for the Government's account.

Turnround into profit by Kanebo

TOKYO—Kanebo, the textiles, cosmetics, and pharmaceutical *group has reported a turnround* from a deficit of Y240m to an after tax profit of Y328m ($1.4m) for the half year to October 31 on lower sales of Y120.68bn ($517m) compared with Y140.77bn.

The company said business prospects for the year ending next April were subject to many unknown factors including uncertainty in foreign exchange market and increased interest burdens.

It was unable to predict net profit for the year, but profit before tax and special items is *expected to reach about* Y2.60bn or more, compared with a deficit of Y3.65bn a year earlier.

The company expects to pass dividend payments for the fourth consecutive year but is *considering a bonus stock issue.*

Despite a continued slump in the synthetic textile division, a recovery in the natural textile *division and income gains in* the cosmetics and pharmaceutical divisions helped improve the business. Interest income from affiliates and subsidiaries also helped improve performance.

The sales fall was due mainly to a transfer of Kanebo's textile processing business to its subsidiaries.

Reuter

Record land price at HK auction

By Philip Bowring in Hong Kong

HONG KONG'S property boom *continues.* A 16,000 *square foot* site in the Tsimshatsui district of Kowloon fetched HK$263m (*U.S.$53m*) *at* a *Government* land auction yesterday at HK$16,100 per square foot, this is almost double that fetched at an adjacent site in June.

Meanwhile growing public outcries at escalating land and property prices and rents is causing some concern within the Government. On *Tuesday*, the senior official in charge of housing suggested the possibility *of outlawing some types of* speculative property buying, and of extending rent control to all residential premises. However while considering the symptoms of the problem, the Government has done little about the underlying causes — the supply of money and supply of land.

Gula Perak cuts losses in half

BY WONG SULONG IN KUALA LUMPUR

GULA PERAK, the publicly quoted Malaysian sugar plantation *which has been* under receivership since October, 1975, has reported that its losses for *the year ending March have* been substantially reduced.

The loss was 2m ringgit ($918,000) compared with 4.4m ringgit for the previous year, and is the smallest loss *recorded since the* company went public in 1971. No reason was given for the reduced *losses, although it is likely that* the company grew more cane.

Accumulated losses amounted to *nearly 31m ringgit,* compared with the company's paid-up capital of 34m ringgit.

As at March 31, Gula Perak had liabilities amounting to 20m ringgit, including 10.8m ringgit *in loans and 8.3m ringgit in* overdraft facilities.

The principal creditors are Telok Plantations, Bank Bumiputra, and the First National City Bank.

Meanwhile, the Negri Sembilan state government is reported to be negotiating for the acquisition of 18,500 acres of land in the state owned by Syarikat Gula, which folded up last month after suffering losses *of over 40m ringgit.*

The land had been mortgaged to Bank Pertanian (Agriculture *Bank) for loans totalling 20m* ringgit. Syarikat Gula was a joint venture between the state Economic Development Corporation and the Pathan Sugar Works of Bombay. The project closed after five years because it was not able to produce sufficient cane for its mill.

Japanese car makers to expand capacity

TOKYO — Japanese motor vehicle manufacturers are laying the groundwork for the *expansion of their capacity,* at a time when their competition in the U.S. is cutting back production.

Industry analysts say that Japan's motor-vehicle production will reach a record 10m units this year. If, as is expected, U.S. production of passenger cars, trucks and buses drops *below* last year's *12.9m* units, the difference in output between the U.S. and Japan will *narrow to about 2m units.*

In 1979's first 10 months, Japanese production totalled 7.9m units, up 6.2 per cent from the same period a year earlier.

Anaysts say brisk demand *in* domestic and foreign markets is spurring Japanese plans to *expand production capacity.*

Recently, Toyota Motor Company, Japan's largest car manufacturer, said it would build a plant with a capacity of 10,000 cars a month. The plant is scheduled for completion in spring 1981. In addition, the company said that "depending on the situation," it would begin another 10,000-car-a-month plant with a tentative start-up up 1982.

The moves are designed to cope with growing demand. "Because of unexpectedly brisk sales, production capacity is already at the brink of spilling over," the company said.

Toyota's output this year is expected to be a record 3.05m units, up from 2.93m in 1978. The projected total includes 1.43m units for export.

Two other major auto makers also are developing programmes *to raise capacity. Honda Motor* Company, which is more export-minded than other Japanese concerns, said it would increase passenger-car production capacity by 100,000 units a year by next spring to meet growing demand. The company's overall capacity will then be 900,000 units a year. Honda estimates sales this year of 800,000 units of which 510,900 will be in foreign countries.

Isuzu Motors, which is 34 per cent owned by General Motors Corporation, plans to increase its car-manufacturing capacity to 600,000 units a year, from the current 420,000 units, within the next four years.

The company said the move is aimed at strengthening the passenger-car division and making it an independent source of profit.

Initially, industry-wide car exports from Japan had been projected to drop slightly below last year's levels, but because of increasing popularity in the U.S. market, export shipments are likely to be 4.9m to 5m units. In *1978, Japanese exports* reached 4.6m units.

Since the beginning of this *year, exports had been below* year-earlier levels each month, reflecting a series of price *markups as a result of the past* sharp appreciation of the yen. Since June, however, exports have *turned up, capitalising on* the fuel-supply problems in the U.S.

In the first 10 months of this year, vehicle exports were just under 4m units, up 2.5 per cent from 1978, but shipments in October rose 33 per cent from a year earlier to 444,875 units.

In November, sales of Japanese vehicles in the U.S. rose by 46 per cent to 136,098 units, according to industry sources. The figures include six Japanese car manufacturers but do not include Isuzu.

AP-DJ

VISITING U.S. JUDGES DRAW PARALLEL WITH EARLY YEARS OF THE SUPREME COURT

Court's role in European unity

BY A. H. HERMANN, Legal Correspondent

Hugh Routledge

The modernity of the European Court in Luxembourg (left) contrasts with the neo-classicism of the U.S. Supreme Court. W... the former fulfil the union-building task once performed by the latter?

A VISITING band of distinguished American judges and court administrators has taken a view of the European Court which will please Community institutions. They see a strong parallel between the European Court and the U.S. Supreme Court in its early days when it tenaciously forged the reluctant States into a Union.

The judges spent four days of the first week of December at the European Court in Luxembourg and in Brussels, and went on to The Hague and Karlsruhe. Their main interest when visiting the supreme courts of Belgium, the Netherlands and West Germany was to hear at first hand from national judges to what extent and how willingly they accept the supremacy of European law and the preliminary rulings of the European Court. Though all of the U.S. judges were of an age expected in Chief Justices of superior State courts, they were eager to talk about their impressions with a youthful enthusiasm seldom encountered among their European brethren.

The American judges saw in the European Community a repetition of an aspect of early American history. This was expressed with great clarity and conviction by the only Federal judge in the group, Howard T. Markey, Chief Judge of the U.S. Court of Customs and Patent Appeals, who frequently sits on other U.S. Appeal Courts and may be a candidate for the U.S. Supreme Court. He has a grand way of refusing to see the trees which obscure the view of the wood. When told of the objections levelled against some of the European Court's interpretations of the Treaties forming the European Communities, he pointed out that Jefferson had been furious when the Supreme Court for the first time had dared to interpret the Constitution of the United States—a Constitution adopted only a little earlier by an Assembly specifically told to do no such thing.

Like the European Court now, the U.S. Supreme Court spent in its early days much time and energy on defining the items listed in the U.S. customs tariffs and dealing with many other matters of detail which were only later removed from its ambit to specialised federal courts. Judge Markey does not doubt that the European Court too will give up a number of its activities and leave them to specialised Community courts—a development now being urged in the Legal Committee of the European Parliament.

When it was pointed out to him that the European Parliament has very little power so far, the judge was unimpressed: "In 20 years or so they will get all the power they need and will become a countervailing force to the EEC bureaucracy in Brussels. They are now composed of full-time, elected deputies. It is unthinkable that full-time politicians would not find means of grabbing the power they need to be effective and they will use the limited power they have over budget as the lever and the starting point."

Judge Markey did not accept that, in contrast with the political federation of the former British colonies in America, the European Communities are primarily an economic grouping: "You can't separate business and politics," he said. "Economic co-operation would be impossible without political links and in turn will strengthen and develop them further." The vision of the United States of Europe which will come in about 20 years or so is firmly fixed in his mind.

Multi-lingual

Having been met everywhere by European judges with a good command of English and intimate knowledge of the American judicial system, the American judges were not made fully aware of the problems of a multi-lingual Community consisting of countries, each with a long tradition of statehood and separate legal development. They were not told that President Giscard d'Estaing of France had urged the Dublin Summit "to do something about the European Court and its illegal decisions" and they had never heard of the problems faced by European industry which has to notify restrictive agreements to the European Commission and then wait for years until their "provisional invalidity" is lifted. They did not know about decisions of the German and Italian Constitutional Courts which circumscribed the powers of the European Court. Their impression was that the rulings of the European Court are gladly and willingly observed by the national courts and that, in this respect, everything in the garden is rosy.

Their view of the European situation was also undistorted by the storm which broke in the U.S. two days after their departure with the publication of The Brethren in which Bob Woodward, of Watergate fame, and Scott Armstrong, review the inside workings of the U.S. Supreme Court. Their criticism of the Justices for rewriting the law has opened a national debate on a subject treated so far with greatest reticence: whether the Court's work is judicious and judicial and questioning whether, at times, it behaves as a court at all. Serialisation of this book started in the Washington Post on December 2 and will be taken up by hundreds of American publications. It has already received great publicity on American TV and is likely to bring to the fore the perennial problem of judge-made law—the same problem which is at the centre of criticism levelled at the European Court and, in the UK, at Lord Denning.

While the visiting judges tended to overlook or underestimate the specifically European problems, they were, of course, quick to discover imperfections in the organisation and work of the courts they visited. They were puzzled by the role of the Advocates General of the European Court and could hardly believe that their opinions cannot be challenged by the parties or by member governments. They were surprised that important issues are settled by a single decision and cannot be reopened in an appeal procedure. The U.S. Supreme Court can and does reopen cases which it has decided and some of the visiting judges thought that the European Court could be induced to have a second look at its judgments if member States asked for its elucidation (as they can do in accordance with the court rules).

Judge Vincent L. McKusic, Chief Justice of the Supreme Judicial Court of Maine, was surprised by the abstract treatment which references from national courts receive in Luxembourg, where parties to original disputes may but need not appear. He contrasted this with the so-called "diversity" references by which the U.S. Supreme Court asks State courts for interpretation of State law before it decides on its constitutionality. Such references are argued in the State courts by the parties to the original dispute. (these references from the Federal level down to the State level could serve as a model to the European Court when it is asked either to pronounce on the compatibility of national and European laws, or when it formulates new rules on the basis of principles inherent in national laws of member States).

When visiting the national supreme courts of Belgium, Germany and the Netherlands, the American judges seemed to be surprised how many judges administered justice in relatively small countries, compared with only nine justices of the U.S. Supreme Court. They did not see the need of having, instead of one Supreme Court, two courts, one to deal with constitutional matters—overlooking the advantage of a separate constitutional court whose members, as in Germany, are selected to represent a cross-sectio[n] political views and social tra[...] But the judges were quic[k] detect the dangers of contra[dic]tory conclusions reached by several Benches of the Ger[man] Federal Court—dangers entirely removed by the cha[...] of having divergent views [har]monised by an opinion delive[red] by the full court.

The American judges w[ere] much more conscious than t[heir] European counterparts of [the] importance of office routines [and] facilities both to enable lawyers to work more efficien[tly] and to allow the public fa[...] and fuller access to what courts are doing. Their pr[oce]dure is nearer to the Contine[ntal] than to the UK's in that judges are assumed to k[now] the case from briefs and writ[ten] pleadings before the hear[ing] opens. The hearing is t[...] usually short and the full t[ext] of judgments is available im[me]diately they are handed do[wn]. Equipping courts with reco[rd]ing and information retrie[val] devices is obviously a big b[usi]ness—in Kentucky for exam[ple] all proceedings are recorded [and] anyone can obtain a compl[ete] copy of the original tape fr[om] the court as soon as judgm[ent] has been pronounced.

The importance of co[urt] administration, now recogni[sed] as a "science," was made evid[ent] by the three court adminis[tra]tors who accompanied the judges on their European t[our]. Two of them held import[ant] positions in the management [of] courts and the third, Mr. Har[...] Solomon, is Director of [the] Institute for Court Manageme[nt], a non-profit making organisat[ion] receiving a Government grant [to] develop court management te[ch]niques and to train co[urt] administrators. Such upgradi[ng] of court administration is sor[ely] needed in Europe.

Companies and Markets

CURRENCIES, MONEY and GOLD

Pound firm

THE POUND improved against most major currencies yesterday as expectations of higher oil prices prompted a fair degree of buying interest. On a trade weighted basis, sterling's index rose to 69.5, a level held at all three of the day's calculations, and compared with Tuesday's close of 69.1. Against the dollar it opened at $2.1990-2.200 and rose to $2.2050 before coming back on dollar firmness to $2.1975. In late trading very thin conditions saw the pound fall to a low of $2.1905-2.1915, and it closed at $2.1925-1935, a rise of 35 points. Trading was generally at a low level ahead of Christmas, with currency movements likely to be exaggerated by the small amount of trading.

The dollar fluctuated quite sharply during the day, and after an easier start, demand picked up, with the currency seeing its best level around mid-morning. During the afternoon the dollar fell once again but recovered later in the day. There may have been some central bank intervention from time to time but not on any appreciable level. Against the D-mark it finished at DM 1.7365 compared with DM 1.7350, and SwFr 1.6020 against SwFr 1.5960 in terms of the Swiss franc.

The Japanese yen lost ground and the dollar rose to its best level for the day at the close to Y237.80 from Y233.20 previously. On Bank of England figures, its trade weighted index rose to 85.1 from 84.8.

FRANKFURT — There was no intervention by the Bundesbank at yesterday's fixing, when the dollar fell over one pfennig to DM 1.7295 from DM 1.7432 on Tuesday. The U.S. unit suffered from the probability of a sharp rise in oil prices after the current OPEC meeting, and speculation that oil payments may no longer be paid in dollars. While the pressure remained, trading was not particularly high, with the approach of the year-end. The U.S. currency also came on offer as investors switched into gold.

COPENHAGEN — The Danish krone was replaced as the most improved currency within the EMS by the French franc, following yesterday's increase in French money rates. The franc rose to DKr 1.3260 from DKr 1.3203 at Tuesday's fixing, and the D-mark was stronger at DKr 3.1108 against DKr 3.1020. The Belgian franc, still the weakest member of the EMS, gained support from a half point rise in the Belgian bank rate to 10½ per cent, and rose to DKr 19.20 from DKr 19.05 per BFr 100.

PARIS—The French franc improved against most currencies at yesterday's fixing, with the dollar easing to FFr 4.0620 from FFr 4.0965, and sterling weaker at FFr 8.9355 against FFr 8.9440.

The D-mark slipped to FFr 2.3466 from FFr 2.3509, and the Danish krone fell to FFr 75.61 from FFr 75.81 per 100 krone. The Belgian franc eased to FFr 14.4155 from FFr 14.4255 per BFr 100.

BRUSSELS—A rise in the Belgian bank rate to a post war record of 10½ per cent helped the franc improve slightly against its EMS partners. Nevertheless it remained the weakest member of the system. The D-mark fell to BFr 16.2872½ from BFr 16.2990 and compared with a ceiling level of BFr 16.3955.

TOKYO—The dollar rose against the yen yesterday despite attempts by the Bank of Japan to control the rise. The U.S. unit closed at Y237.35, compared with Y235.85 on Tuesday, with the Bank of Japan selling an estimated $50m.

THE POUND SPOT AND FORWARD

Dec. 12	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1905-2.2050	2.1925-2.1935	0.55-0.45c pm	2.73	1.22-1.12 pm	2.13
Canada	2.5425-2.5575	2.5445-2.5455	0.78-0.68c pm	3.44	2.00-1.90 pm	3.06
Nethlnd.	4.19-4.22	4.19½-4.20½	¾-1¼c dis	−2.14	1½-¾ pm	1.07
Belgium	61.90-62.60	62.00-62.10	17-7c pm	2.32	40-30 pm	2.26
Denmark	11.77-11.92	11.77-11.78	1¼ore pm-½ dis	0.25	½ pm-1½dis	−0.17
Ireland	1.0315-1.0365	1.0340-1.0350	0.08-0.18p dis	−1.51	0.19-0.29dis	−0.93
W. Ger.	3.79½-3.82½	3.80½-3.81½	2⅞-1⅞pf pm	7.48	7⅛-6⅛ pm	7.48
Portugal	109.00-110.20	109.15-109.35	20-70c dis	−4.94	35-135 dis	−3.11
Spain	145.85-146.90	145.90-146.00	15c pm-35 dis	−0.82	100pm-par	1.37
Italy	1,780-1,787	1,780¼-1,781¼	5½-7½ lire dis	−4.38	13-16 dis	−3.26
Norway	10.87-10.92	10.89-10.90	4¾-2¾ore pm	4.13	13¼-11¼ pm	4.50
France	8.92-8.96	8.92¾-8.93¾	2½-1½c pm	2.69	6-5 pm	2.46
Sweden	9.14½-9.19½	9.15-9.16	2¼-¼ore pm	1.64	6-4 pm	2.18
Japan	511-523	521-522	3.90-3.60y pm	8.63	10.55-10.25pm	7.98
Austria	27.30-27.45	27.32-27.37	15-5gro pm	4.39	53-43 pm	7.02
Switz.	3.49-3.52½	3.51-3.52	3¼-2¼c pm	8.96	10-9 pm	10.81

Belgian rate is for convertible francs. Financial franc 63.15-63.25. Six-month forward dollar 2.40-2.35c pm, 12-month 4.50-4.40c pm.

THE DOLLAR SPOT AND FORWARD

Dec. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1905-2.2050	2.1925-2.1935	0.55-0.45c pm	2.73	1.22-1.12 pm	2.13
Ireland†	2.1200-2.1330	2.1250-2.1300	0.85-0.60c pm	4.10	1.80-1.50 pm	3.11
Canada	1.1600-1.1621	1.1610-1.1613	0.13-0.09c pm	1.14	0.29-0.25 pm	0.93
Nethlnd.	1.9065-1.9135	1.9120-1.9135	0.57-0.67c dis	−3.89	0.34-0.44dis	−0.81
Belgium	28.16-28.29	28.25-28.29	1c pm-½ dis	0.11	2 pm-par	0.14
Denmark	5.3700-5.3825	5.3700-5.3725	0.75-1.25ore dis	−2.23	2.90-3.40dis	−2.34
W. Ger.	1.7255-1.7400	1.7360-1.7370	0.70-0.60pf pm	4.49	2.35-2.25 pm	5.30
Portugal	49.70-49.90	49.80-49.90	18-28c dis	−5.53	50-85 dis	−5.41
Spain	66.53-66.58	66.53-66.58	10-20c dis	−2.70	45-70 dis	−3.45
Italy	810.30-812.90	812.40-812.90	5-7 lire dis	−8.86	11-14 dis	−6.15
Norway	4.9580-4.9615	4.9600-4.9615	0.85-0.10ore pm	1.15	3.35-2.60 pm	2.40
France	4.0600-4.0790	4.0760-4.0790	0.05c pm-0.10dis	−0.07	0.50-0.25 pm	0.37
Sweden	4.1725-4.1750	4.1740-4.1750	par-0.20ore dis	−0.29	0.40-0.20 pm	0.29
Japan	233.50-238.75	237.75-237.85	1.40-1.25y pm	6.69	3.50-3.35 pm	5.76
Austria	12.44¾-12.47½	12.46½-12.47½	0.50gropm-1.50dis	−0.48	17.00-13.00pm	4.81
Switz.	1.5860-1.6030	1.6015-1.6025	1.10-1.02c pm	7.94	3.45-3.37 pm	8.51

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Dec. 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.586725	0.660904
U.S. $	12	1.31488	1.43036
Canadian $	14	1.52736	1.66166
Austria Sch.	3¾	16.3689	17.8566
Belgian F.	10½	37.0467	40.3362
Danish K.	11	7.07077	7.68105
D Mark	6	2.27406	2.47926
Guilder	9½	2.51471	2.73886
French Fr.	9½	5.34104	5.81299
Lira	15	1065.06	1158.95
Yen	6¼	311.627	338.281
Norwgn. Kr.	9	6.51326	7.10175
Spanish Pts.	8	87.5053	95.1906
Swedish Kr.	9	6.49028	6.96962
Swiss Fr.	2	2.09182	2.28148

CURRENCY MOVEMENTS

Dec. 12	Bank of England Index	Morgan Guaranty changes %
Sterling	69.5	−36.6
U.S. dollar	85.1	−8.1
Canadian dollar	81.6	−16.6
Austrian schilling	157.6	+24.4
Belgian franc	115.1	+13.6
Danish kroner	110.4	−1.4
Deutsche mark	158.3	+46.7
Swiss franc	205.6	+83.0
Guilder	126.4	+20.8
French franc	102.8	−5.5
Lira	54.6	−49.7
Yen	118.7	+17.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Dec. 12	£	$		£ Note Rates
Argentina Peso	3478-3498	1585-1595	Austria	27.25-27.50
Australia Dollar	1.9845-1.9885	0.9040-0.9045	Belgium	62.80-63.50
Brazil Cruzeiro	93.61-95.61	42.20-42.70	Denmark	11.83-11.89
Finland Markka	8.16-8.17	3.7210-3.7250	France	8.91-8.97
Greek Drachma	82.260-84.226	37.85-38.08	Germany	3.79½-3.82
Hong Kong Dollar	10.87½-10.88½	4.9680-4.9700	Italy	1760-1805
Iran Rial	n/a	n/a	Japan	518-523
Kuwait Dinar (KD)	0.597-0.607	0.2740-0.2741	Netherlands	4.19½-4.22
Luxembourg Frc.	62.00-62.10	28.29-28.31	Norway	10.90-10.97
Malaysia Dollar	4.7650-4.7765	3.1735-3.1745	Portugal	109-118
New Zealand Dlr.	2.2280-2.2340	1.0145-1.0160	Spain	145-151½
Saudi Arab. Riyal	7.35-7.45	3.3677-3.3680	Switzerland	3.50½-3.52½
Singapore Dollar	4.7520-4.7636	2.1695-2.1705	United States	2.19¼-2.20½
Sth. African Rand	1.8115-1.8145	0.8265-0.8275	Yugoslavia	45-46½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3362	+1.37	+1.37	±1.53
Danish Krone	7.72336	7.68105	−0.55	−0.55	±1.64
German D-Mark	2.48208	2.47926	−0.11	−0.11	±1.125
French Franc	5.84700	5.81299	−0.58	−0.58	±1.3557
Dutch Guilder	2.74362	2.73886	−0.17	−0.17	±1.512
Irish Punt	0.668201	0.671847	+0.55	+0.55	±1.668
Italian Lira	1157.79	1158.95	+0.10	+0.10	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Dec. 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.193	3.810	521.5	8.933	3.515	4.200	1781.	2.545	62.08
U.S. Dollar	0.456	1.	1.737	237.8	4.073	1.603	1.915	812.0	1.161	28.29
Deutschemark	0.262	0.576	1.	136.2	2.344	0.923	1.102	467.4	0.668	16.29
Japanese Yen 1,000	1.918	4.205	7.306	1000.	17.13	6.740	8.054	3415.	4.880	119.0
French Franc 10	1.120	2.455	4.265	583.8	10.	3.935	4.702	1994.	2.849	69.47
Swiss Franc	0.284	0.624	1.084	148.4	2.541	1.	1.195	506.6	0.724	17.65
Dutch Guilder	0.238	0.522	0.907	124.2	2.127	0.837	1.	424.0	0.606	14.77
Italian Lira 1,000	0.562	1.232	2.140	292.9	5.016	1.974	2.359	1000.	1.429	34.84
Canadian Dollar	0.393	0.862	1.497	204.9	3.510	1.381	1.650	699.7	1.	24.38
Belgian Franc 100	1.612	3.534	6.140	840.5	14.40	5.665	6.769	2870.	4.102	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.50-14.60 per cent; three months 14.50-14.60 per cent; six months 14.10-14.20 per cent; one year 12.95-13.05 per cent.

Dec. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	16⅝-16¾	14-14¼	12½-13	18½-18¾	⅜-⅝	8⅜-8½	12-12¼	13-23	—	6¾-8⅛
7 days' notice	18⅛-18⅜	14-14¼	12¾-13⅛	16½-16¾	1-1¼	8⅜-8⅝	12¼-12½	19-24	14-14¼	8⅛-9⅛
Month	16½-16¾	13⅞-14⅛	13¼-13½	16⅜-16⅝	6-6⅛	9⅛-9⅜	14-14¼	20¼-23½	[illegible]	7⅝-8½
Three months	16⅞-17⅛	[illegible]	13¾-14	14¾-15	5⅝-5⅞	9⅛-9¼	14-14¼	19-21	[illegible]	8⅝-8⅞
Six months	16⅜-16⅞	[illegible]	13¼-13½	12¾-13	5¼-5½	8⅝-8¾	13⅞-14⅛	18-19½	[illegible]	8¼-8½
One year	15½-15¾	12⅞-13⅛	12½-12¾	11⅝-11⅞	5½-5⅝	8⅛-8¼	13¾-14	17¼-18¼	[illegible]	7⅝-7⅞

Long-term Eurodollar two years 12-12¼ per cent; three years 11⅞-12⅛ per cent; four years 11¾-12 per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian bank rate up

European interest rates took another upward turn yesterday as the Belgian National Bank raised its bank rate by ½ per cent to 10½ per cent, and the Lombard rate by a similar amount to 12½ per cent.

At the same time the Bank of France increased the upward pressure on Paris rates by raising its money market intervention rate, and Treasury bill discount rates. The authorities bought about FFr 6bn first category paper at 12¼ per cent, compared with the previous rate of 12 per cent. In the money market call money remained at 12¼ per cent, and one-month was unchanged at 12¼-12⅜ per cent. Three-month firmed to 12½-12⅝ per cent from 12⅜-12½ per cent, while six-month was steady at 12½-12⅝ per cent, and 12-month unchanged at 12½-12⅝ per cent. The Bank of France also increased Treasury bill rates by ¼ per cent.

The Belgian franc remained the weakest member of the EMS, but improved slightly following the rise in Belgium's bank rate. Deposit rates for the Belgian franc were unchanged with one-month at 14⅛-14⅜ per cent; three-month at 14⅝-14⅞ per cent; six-month at 14⅛-14⅜ per cent; and 12-month at 13¼-13½ per cent.

FRANKFURT — Call money fell to 8.40-8.50 per cent from 8.60-8.75 per cent. One-month was quoted at 9.80-9.85 per cent compared with 9.80-9.90 per cent, while three-month eased to 9.60-9.65 per cent from 9.65-9.75 per cent, and six-month to 8.90-9.00 per cent from 9.05-9.20 per cent. 12-month funds were quoted at 8.50-8.60 per cent compared with 8.40-8.60 per cent.

AMSTERDAM — The guilder remains supported by the rise in the Dutch discount rate at the end of November, although the OPEC meeting in Caracas next week is expected to have an impact on volatile trading in the foreign exchange market. Market liquidity has been helped by the central bank special advance of Fl 1.2bn which expires next Monday. Seasonal tax payments and a rise in the note circulation ahead of the Christmas holiday has aggravated the general shortage of credit. In the money market yesterday interest rates remained tight, with call money unchanged at 18¾-19 per cent, while one-month rose to 17¾-18¼ per cent from 17¼-17¾ per cent; three-month to 16-16½ per cent from 15¼-15¾ per cent; and six-month to 13¾-14 per cent from 13-13½ per cent.

GOLD

Further record

Gold rose above the $450 level for the first time ever in the London bullion market yesterday, fell back in later trading on a little profit-taking to $446-448, a loss of $¼ an ounce from Tuesday. The metal touched an all-time high during the day of $450-451, as uncertainty over the situation in the Middle East prompted further demand. Gold opened at $444-446 and rose to a record fixing level during the morning at $449.75.

In Paris the 12½ kilo bar was fixed at a record FFr 59,700 per kilo ($457.13 per ounce) compared with FFr 59,650 ($456.85) in the morning and FFr 59,000 ($447.96) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 25,020 per kilo ($450.0 per ounce) against DM 24,815 ($442.75) previously.

	December 12		December 11	
Gold Bullion (fine ounce)				
Close	$446-448	(£203¼-204¼)	$446½-448½	(203¾-204¾)
Opening	$444-446	(£201½-202½)	$439-441	(201¼-202½)
Morning fixing	$449.75	(£204.293)	$442.75	(£202.511)
Afternoon fixing	$446.25	(£203.053)	$445.50	(£203.750)
Gold Coins				
Krugerrand	$463½-465	(£210-211)	$459-461	(£210-211)
Mapleleaf	$463-465	(£211-212)	$458-461	(£210-214)
New Sovereigns	$116-117	(£52¾-53¼)	$115-116	(£52-53)
King Sovs	$132-134	(£60-62)	$134-136	(£61-63)
Victoria Sovs.	$132-134	(£60-62)	$134-136	(£61-63)
Fr 20 Napoleon	FFr455-465	(SFr177½-180½)	FFr450-460	(SFr176-178)
50 pesos Mexico	$560-562		$551-553½	
100 Cor. Austria	$438-440		$436-439	
$20 Eagles	$541-545		$536-539	
$10 Eagles	$300-315		$300-315	
$5 Eagles	$265-285		$265-285	

UK MONEY MARKET

Adequate credit

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in adequate supply in the London money market yesterday and the authorities did not intervene. Trading was rather confused however since it was monthly make-up day for the banks. Discount houses found money available at 8-10 per cent in early trading, but rates touched 15-15½ per cent in the afternoon, before closing at 12-13 per cent. Trading during the morning was reminiscent of the spring of last year, when a two-tier market developed on published figure day as banks sought to build up their reserve assets—call money lent to the discount houses — ahead of re-imposition of "corset" controls.

The major factor helping the market was a large excess of Government disbursements over revenue payments to the Exchequer, but this was balanced by a small rise in the note circulation, a small net take-up of Treasury bills, and run down balances brought forward by the banks.

MONEY RATES

NEW YORK

Prime Rate	15¾
Fed. Funds	13½-13¾
Treasury Bills (13-week)	12.23
Treasury Bills (26-week)	12.02

GERMANY

Discount Rate	6
Overnight Rate	8.45
One month	9.825
Three months	9.625
Six months	8.95

FRANCE

Discount Rate	9.5
Overnight Rate	12.25
One month	12.3125
Three months	12.5625
Six months	12.3125

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.9375
Bills Discount (three-month)	8.4375

LONDON MONEY RATES

Dec. 12 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	9-16⅛	—	—	—	15⅛	8-15½	—	—	—
2 days notice	—	—	16¼-16⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16-16¼	16⅛-16⅜	—	16¾	16	14¼-15⅝	—	—	—
One month	16¹⁄₁₆-16⁵⁄₁₆	16⅛-16½	16½-16¾	17¾-17⅝	16¾	16½	16	15⅞	16½-16⅜	16⅞
Two months	16¹⁄₁₆-16⁵⁄₁₆	16½-16⅝	—	17⅝-17⅜	16⅞	—	16¼	15⅞	16⅛	16⅞
Three months	16¾-16⅝	16⅝-16¹¹⁄₁₆	16¾	17¼-17	17	17¼	16⅜	15⅞-15⅞	16⅛-16⅛	16⅞
Six months	16⅜-16¼	16¼-16⅞	16¼-16⅜	16½-16¼	16¾	—	—	—	15½-15⅝	16⅛
Nine months	15¹⁵⁄₁₆-15¹³⁄₁₆	15⅝-15⅞	—	16¼-16	16½	—	—	—	—	—
One year	15¾-16⅛	15¾-15½	15½-15⅝	15½-15¼	16	—	—	—	—	—
Two years	—	—	15¼-15⅜	—	—	—	—	—	—	—

Local authority and finance houses seven day's notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 15¾ per cent; four years 15-15¾ per cent; five years 15-15¾ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 16⁷⁄₁₆-16¹¹⁄₁₆ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15²³⁄₃₂-15²⁵⁄₃₂ per cent; two-month 15²³⁄₃₂-15¹³⁄₁₆ per cent; three-month 15²³⁄₃₂-15⅞ per cent. Approximate rates for one-month bank bills 16½-16¹⁵⁄₃₂ per cent; two-month 16⁷⁄₁₆ per cent; three-month 16⁷⁄₁₆-16¹⁵⁄₃₂ per cent; one-month trade bills 16¾ per cent; two-month 16¾ per cent and three-month 16¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 15½ per cent from December 1, 1979. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Base Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.9825 per cent.

UK NEWS

WHY BRITAIN MUST RESTORE PRIMACY OF CREATING WEALTH

Flaws in focus on welfare

BY JAMES McDONALD

BRITAIN'S concentration since the Second World War on developing the welfare state had not been wholly beneficial, Sir Peter Carey, Permanent Secretary at the Department of Industry, said yesterday in the annual Hawksley Lecture on UK industry in the 1980s.

"We have moved not to a position where the creation of wealth and the pursuit of egalitarian social ideals are regarded as equally acceptable aims, but to one where the creation of wealth has become secondary, he said.

"This must be a severe constraint on our capacity to prosper."

Britain must, he believed, restore the primacy of wealth creation. "This is not a politically motivated notion. It is observation of our need to earn our way in the world if we are to maintain or improve our standard of living.

"It is a concept perfectly compatible with our desire to maintain a compassionate state: indeed, it is a prerequisite to our maintenance of the welfare state."

To achieve such a transition, Sir Peter believed that the answer must be found in our culture.

"In developing our society in the post-war period, we have too often ignored the virtues of enterprise. It is enterprise which lies at the base of our ability to create wealth, and we need to create a mood in society which values enterprise as it deserves to be valued."

'Inventiveness'

Enterprise was important at all levels of the industrial-commercial community. "It is not only the classic 'small-man' entrepreneurs who are important. Entrepreneurs, 'those who show enterprise,' can flourish in virtually any organisation, to its benefit.

"The corporate engineer, the man whose inventiveness and flair lead him to do more than the company would expect of him, is equally valuable.

"In order that either sort of entrepreneur may flourish, we must have comprehension of their value, comprehension by society that the successful small businessman is not only enriching himself but also, literally, enriching society."

There must also be comprehension by large companies that encouraging the entrepreneurial spirit in their employees can bring them previously unsuspected benefits; also "comprehension by society that large firms operating profitably, subject to competition, enrich society, too."

In creating such an "enterprise culture," Britain would, Sir Peter said, be concentrating on precisely the issue that he earlier in the lecture identified as central to improving its economic performance: "The utilisation of our human resources."

He continued: "We would be creating a climate in which the inventive, the resourceful, the enterprising would be much freer to develop and use the initiative now perhaps bottled up within them, constrained by society or employers.

Future

"The Government is, of course, committed to fostering the spirit of enterprise. It has already implemented extensive fiscal measures designed to improve the rewards of success. But Government can only control the framework in which the enterprise can flourish. It is up to the involved — the firm and the individual — to make the necessary effort."

Sir Peter considered the future through the eyes of UK institutions or companies who conduct short- or medium-term forecasting: the National Institute of Economic and Social Research, the Confederation of British Industry, the Organisation of Economic Co-operation and Development, and Cambridge Econometrics.

The notable feature was the general agreement of the forecasts for 1980. All but one expected a fall in gross domestic product (GDP).

"All expect a fall-off in the rate of new investment; this would mean a further undermining of our manufacturing base. All expect unemployment to climb above its already high level and all expect earnings to continue to outstrip inflation."

Sir Peter Carey

Thus, although the wealth the country generated was likely to fall, "we are also likely to continue to pay ourselves more."

The obvious conclusion was that Britain might be heading in the very short-term for an absolute decline in welfare. "We are not going to accept the logical translation of that decline into our earnings."

Cambridge Econometrics looked further into the medium-term and expected GDP, having fallen in 1980, to grow gradually until 1984, but deteriorate again in 1985-90.

"Unemployment they expect to rise to about the 2m mark for most of the next decade, and that on conservative assumptions as to the growth in the size of the working population.

"Thus, the further ahead you look, the more disturbing the underlying trends appear."

Present projections suggested that by 1990 we might have passed the production peak for offshore oil and gas and become again substantial net importers of oil.

"To improve our performance in a static world which we understand well is difficult enough." But Britain must achieve such an improvement against a background of remarkable change with the advent of microelectronics, Sir Peter declared.

That technology alone was capable of revolutionising industry "and, indeed, all our lives in a very short space of time." Application of microprocessors to products and processes would be legion, and for improved performance, it was of the greatest importance that Britain should come to terms with the new technology as rapidly as possible.

"Our competitors, of course, all face the same challenge. But some, for example, Japan, are already demonstrating their ability to absorb and reap benefit from the new technology.

"We must do the same if we are to retain even our present competitiveness; we cannot afford to remain stationary while others forge ahead at our expense.

"We have the ability to do so, we are no worse endowed with resources than most of our competitors, and in some areas, for example natural resources, considerably better off.

"At the moment, we do not appear to be responding to the challenge."

Sir Peter noted that the Finniston Report into the engineering professions was imminent.

'Inadequate'

"The committee have found that in large parts of manufacturing, the various engineering skills and resources available to firms are inadequately applied to the task of competing for world markets, and that this is a key factor in the decline of UK manufacturing performance.

"The committee will suggest that considerable scope for improving performance exists by individual firms' making effective use of the existing stock of engineers.

"The onus for strengthening the engineering dimension will be placed firmly upon individual firms."

ANNUAL AVERAGE PERCENTAGE CHANGE IN VOLUME OF OUTPUT PER EMPLOYEE IN MANUFACTURING

	1955–60	1964–69	1969–73	1973–78
Beligum	3.53	6.12	4.62	n.a.
France	4.40	6.32	4.58	n.a.
Germany	4.92	5.55	4.37	2.48
Italy	5.00	6.53	4.14	0.64
Japan	6.39	8.61	6.31	2.74
Holland	4.77	7.04	7.11	3.60
UK	2.19	3.40	4.46	0.02
U.S.	2.30	2.08	3.18	2.09
Unweighted average	4.19	5.71	4.85	1.93

APPROXIMATE GROSS DOMESTIC PRODUCT PER HEAD OF SEVERAL COUNTRIES AS A RATIO THAT OF THE UK

	1900/4 Ratio	1922 Ratio	1938 Ratio	1950 Ratio	1970 Ratio	1975 Ratio
France	n.a.	0.94	0.82	0.81	1.25	1.24
Germany	0.68	0.72	0.82	0.65	1.25	1.23
Italy	0.38	0.53	0.48	0.41	0.77	0.72
Japan	0.11	0.18	0.24	0.16	1.03	1.03
UK	1.00	1.00	1.00	1.00	1.00	1.00
U.S.	1.16	1.53	1.29	1.79	1.67	1.61

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.310	—	—	—	—	5	14.50	F.306.50
ABN C	F.320	—	—	5	4.60	—	—	"
AKZ C	F.25	2	1	33	1.90	53	2.90	F.24.70
AKZ C	F.27.50	14	0.30	70	1.20	35	1.80	"
AKZ C	F.30	—	—	70	0.40	—	0.90	"
AKZ P	F.25	—	—	5	1	20	—	"
AKZ P	F.27.50	—	—	—	—	2	3	"
AKZ P	F.30	5	5.10	—	—	—	—	"
ARB C	F.65	—	—	3	3	—	—	F.65
FNC C	$20	—	—	—	—	2	4	$22½
HO C	F.22.50	5	0.60	10	1.10	38	1.90	F.20.50
HO C	F.25	—	—	—	—	16	1	"
IBM C	$65	—	—	1	5¼	—	—	$65⅝
IBM C	$70	—	—	6	3	—	—	"
KLM C	F.70	—	—	5	10.50	15	13	F.78
KLM C	F.80	10	2.20	5	5.50	6	7	"
KLM C	F.90	3	0.30	57	2.20	5	3.10	"
KLM C	F.100	—	—	24	0.80	—	—	"
KLM P	F.70	65	0.70	8	2.60	—	—	"
KLM P	F.80	—	—	—	—	20	7.20	"
KLM P	F.100	—	—	5	22.30	—	7	"
NN C	F.120	30	1.30	11	4.70	—	—	Fr.115.50
PET C	Fr.5500	10	420	—	—	—	—	Fr.5600
PET C	Fr.6000	—	—	—	—	5	390	
PHI C	F.20	—	—	4	3.10	8	2.40	F.20.70
PHI C	F.22.50	—	—	131	0.80	6	1	"
PHI C	F.25	—	—	200	0.30	—	—	"
PHI P	F.20	—	—	—	—	10	0.80	"
PHI P	F.22.50	10	1.70	32	1.70	20	2	"
PHI P	F.25	5	4.20	1	4.10	10	4.20	"
RD C	F.140	60	12.20	—	—	—	—	F.150.80
RD C	F.145	6	7.50	60	12.20	—	—	"
RD C	F.150	23	4.60	20	9.20	20	10.20	"
RD C	F.160	132	1	61	4.40	—	—	"
RD P	F.135	5	0.10	—	—	—	—	"
RD P	F.145	—	—	10	2.30	—	—	"
RD P	F.150	—	—	20	4.20	—	—	"
UNI C	F.120	—	—	17	3.60	5	4.20	F.113.30
		Feb.		May		Aug.		
BAU C	$50	1	2⅛	—	—	—	—	$48¼
SLB C	$90	1	9	—	—	—	—	$93¾
TOTAL VOLUME IN CONTRACTS						1565		

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Royal Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Shenley Trust	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	18 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	†17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

WORLD STOCK MARKETS

Wall St. mixed after fair trade

SOME ENERGY STOCKS and a few take-over issues managed good price gains, but overall the *Wall Street stock market* ended mixed after fairly active trading yesterday.

The Dow Jones Industrial Average was a modest 1.97 up at $835.67 and the NYSE All Common Index 3 cents harder at $61.58, but declining issues narrowly outnumbered gains by 772 to 740. A total of 34.68m shares changed hands, compared with Tuesday's 36.29m.

Analysts said the already cautious market found new reason for worry in action by the Federal Reserve that seemed to indicate the Fed does not want *interest rates to ease just now.*

Before the Fed action yesterday, *the market was already facing* a host of negatives, including a weak dollar, *soaring gold* prices, prospects for another inflationary rise in the price of oil resulting from next week's OPEC meeting in Caracas, and confusion about the direction of interest rates and the health of *the economy.*

Southwest Bank of St. Louis cut its *Prime Rate to 15 per* cent yesterday from 15¼ and was folowed by first Georgia Bank, but major banks remained at 15¼ per cent.

Despite all the negatives, analysts added that the market *remains fairly resilient because* of the large amount of cash in the hands of *institutional investors,* who are conducting selective buying operations and year-end portfolio adjustments.

Gamble-Skogmo jumped 7¼ to $36. **Wickes**, which plans to acquire Gamble for $45 a share *in debt and Preferred stock*, added ¼ at $16¼.

Three of the partners in the Hibernia oil and gas well rose afresh. **California Standard** gained ¼ to $57¼, **Mobil** ⅞ to $53⅞ and **Columbia Gas** ¼ to $39. **Gulf Oil** eased ¼ to $35¼, but its **Gulf Canada** unit jumped 3⅞ to $91¼ on the American exchange.

Mesa Royalty Trust, a recent *spin off of Mesa Petroleum*, forged ahead 3⅞ to $36⅞ in active trading, while **Mesa Petroleum** climbed 1⅞ to $55⅞. Analysts said the issues are favoured for their good gas reserves.

THE AMERICAN SE Market Value Index moved ahead 2.21 more to 237.32 on active turnover of 5.62m shares (5.18m), mainly reflecting some good rises in energy issues.

Canada

Markets closed sharply and broadly higher after very busy trading. Investors welcomed tax incentives in the previous evening's Federal Budget to promote investment in Canadian equities. Although the Budget received mixed reaction nationally, the Government's firm stand to reduce the Federal deficit was viewed with optimism by the market.

The Toronto Composite Index *climbed 32.8 to 1,755.8 and all* 14 sub-group indices posted *advances. The Oil and Gas index* rose 117.7 to 3,684.9, Metals and *Minerals* 27.1 to 1,630.9 and Golds 16.6 to 2,288.1. In Montreal, Banks soared 9.07 to 313.73 and Utilities put on 4.26 to 245.07.

Tokyo

Increased buying interest, especially in Petroleums, Trading Houses and other resources-related stocks, took the market sharply ahead in fairly active trading.

The Nikkei-Dow Jones Average advanced 57.26 to 6,501.24 and the Tokyo SE index climbed 3.58 to 453.56, while rises outscored falls on the First Market section by 413 to 228 after volume of 310m shares.

Nippon Oil rose Y60 to Y1,820 *and* **Teikoku Oil** *Y30 to Y1,060*, while among Trading Houses, **Mitsubishi** added Y18 at Y813 and **C. Itoh** Y40 at Y524.

Non-ferrous Metals, including **Doma Mining**, rose following the upsurge on overseas gold markets.

Australia

Markets strengthened over a broad front, with resources stocks meeting heavy speculative *demand. The Sydney All* Ordinaries Index broke through the 700 points barrier to finish 8.48 higher at an all-time peak of 705.08, while the Metals and Minerals index advanced 94.26 to 4054.61.

Buying particularly centred around the Ashdown Diamond consortium partners, with **CRA** gaining 14 cents to A$3.90 and **Ashton Mining** 27 cents to A$2.20. **Jimberlana Minerals** rose 12 cents to A$1.52.

There was keen overseas interest shown in Oil issues ahead of the OPEC meeting next week. Market leader **BHP** gained 20 cents to A$10.60, **Woodside Petroleum** 9 cents to A$1.97, **Cluff Oil** 2 cents to 21 cents and **Ampol Exploration** *10 cents to* A$2.15.

Record world bullion prices overnight saw **Central Norseman** *Gold* move up 25 cents to A$11.05, **GMK** 10 cents to A$3.40 *and* **Poseidon** *13 cents to A$1.90.*

Base Metal Producers advanced *on stronger* copper and silver prices, **MIM** adding 12 cents at A$3.50, **Bougainville Copper** 10 cents at A$2.52 and **Western Mining** 3 cents at A$3.18.

Oakbridge, in Coals, put on 7 cents to A$3.10, while among Industrials, **Australian Consolidated Industries**, after news of the proposed one-for-four scrip issue, forged ahead 12 cents to *A$2.30.*

Germany

Bourse prices generally turned downwards in slack trading, with *sentiment dampened both by the* possibility of next week's OPEC *meeting deciding upon a* significant oil price rise and by worries over wage demands from large West German unions as the next round of labour negotiations approaches. The Commerzbank index, up 4.5 the *previous day, receded 5.3 to* 717.6.

Motors, one of the firmest sectors on Tuesday, suffered the worst falls along with a weak Banks group. **BMW** lost DM 3.10 and **Volkswagen** DM 2. **Bayerische Vereinsbank** retreated DM 8 to DM 272, with market sources citing a recent decision to raise capital. **Commerzbank** declined DM 2.70. **Kaufhof** shed DM 3.50 in Stores and **AEG** DM 1.20 in Electricals.

Paris

Shares were no worse than mixed yesterday in a more active session than of *late following the* recent setback. However, brokers said many buyers are staying away from the market until the oil price increase to be decided at the OPEC ministerial meeting in Caracas is known. Also unsettling investors is the squabbling currently going on between the two French majority parties.

Banks, Portfolios, Constructions, Hotels, Electricals, Metals and Chemicals showed a firmer inclination, but Mechanicals, Utilities and *Publishing* issues lost ground.

Source Perrier, which announced higher dividend and financial year *profits* as well as a one-for-three scrip issue, put on *FFr5 to FFr289.* **BSN-Gervais Danone**, however, which *is bidding for holdings* in a Belgian brewery which it does not already own, last FFr6 to FFr900.

Amsterdam

Share prices closed mostly lower in quiet trading, with the weaker dollar, continued tension in Iran and Dutch political uncertainties providing an unfavourable background.

Johannesburg

Golds continued to advance on the record international Bullion *price on strong foreign and local* demand.

Hong Kong

Following an early fresh improvement, stocks reacted on profit-taking *to finish mainly* easier on the day after another active trade. The Hang Seng index, which advanced 15.56 on Tuesday to a new six-year high, shed 2.14 to 797.90.

The results of the latest land auction, where prices reached record levels, made no impact on the stock market.

Hong Kong Bank lost 10 cents to HK$17.20, **Hang Seng Bank** HK$3 to HK$121 and **Hongkong Land** 10 cents to HK$12.70.

Indices

NEW YORK — DOW JONES

	Dec. 12	Dec. 11	Dec. 10	Dec. 7	Dec. 6	Dec. 5	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆Industr'ls	835.67	833.70	833.87	833.19	835.07	823.41	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	76.15	76.55	76.59	75.45	76.02	76.03	86.10 (15/8)	75.44 (8/11)	—	—
Transport.	255.94	254.55	254.87	254.28	255.02	251.51	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	106.55	106.49	106.49	106.19	108.46	107.68	109.61 (23/8)	98.24 (24/10)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	34,680	36,290	32,520	42,700	37,510	38,580	—	—	—	—

◆Day's high 840.87 low 830.20

Ind. div. yield %	Dec. 7	Nov. 30	Nov. 23	Year ago (approx
	6.07	6.13	6.19	5.97

STANDARD AND POORS

	Dec. 12	Dec. 11	Dec. 10	Dec. 7	Dec. 6	Dec. 5	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	120.49	120.56	120.51	120.31	120.91	120.05	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	107.52	107.49	107.67	107.52	108.00	107.25	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Dec. 5	Nov. 28	Nov. 21	Year ago (approx
Ind. div. yield %	5.26	5.29	5.41	5.05
Ind. P/E Ratio	7.62	7.92	7.78	8.77
Lon Gov. Bond Yield	9.96	10.02	10.36	8.74

N.Y.S.E. ALL COMMON

Dec. 12	Dec. 11	Dec. 10	Dec. 7	1979 High	1979 Low
61.58	61.55	61.66	61.55	62.88 (21/8)	53.88 (27/2)

Rises and Falls

	Dec. 12	Dec. 11	Dec. 10
Issues Traded	1,935	1,956	1,927
Rises	740	671	780
Falls	772	883	729
Unchanged	423	402	418
New Highs	78	64	52
New Lows	18	21	14

MONTREAL

	Dec. 12	Dec. 11	Dec. 10	Dec. 7	1979 High	1979 Low
Industrial	319.18	311.99	312.66	313.58	332.12 (5/10)	219.18 (2/1)
Combined	304.05	297.29	298.78	300.06	314.55 (5/10)	225.80 (2/1)
TORONTO Composite	1755.8	1723.0	1726.5	1730.3	1804.71 (5/10)	1316.8 (2/1)

	Dec. 12	Dec. 11	Dec. 10	Dec. 7	1979 High	1979 Low
AUSTRALIA Sydney All Ord. (1958/59)	705.08	696.60	695.95	696.57	705.08 (12/12)	545.72 (2/1)
Metals & Minls (1958/59)	4054.61	3960.35	3952.84	3957.88	4054.61 (12/12)	2587.34 (2/1)
AUSTRIA Credit Aktien (2/1/62)	87.07	87.01	86.82	86.75	87.22 (5/12)	81.55 (2/8)
BELGIUM Belgian SE (31/12/63)	102.87	102.96	103.14	103.56	109.47 (5/10)	98.80 (3/1)
DENMARK Copenhagen SE (1/1/73)	96.84	97.81	97.86	98.59	97.46 (25/7)	96.84 (12/12)
FRANCE ACC General (29/12/61)	105.5	105.4	105.9	104.20	115.1 (3/10)	82.4 (16/2)
Ind Tendance (29/12/78)	(u)	109.5	110.3	110.60	122.8 (4/10)	92.7 (22/2)
GERMANY FAZ-Aktien (31/12/58)	228.45	229.44	227.93	228.30	265.80 (16/1)	223.73 (7/11)
Commerzbank(Dec.1953	717.6	722.9	718.4	719.30	859.60 (16/1)	704.50 (7/11)
HOLLAND ANP-CBS General (1970)	83.5	84.0	84.7	84.30	94.2 (24/1)	85.4 (7/11)
ANP-CBS Indust. (1970)	66.5	67.1	67.2	67.90	86.5 (24/1)	66.5 (12/12)
HONG KONG Hang Seng Bank(31/7/64)	797.90	800.04	784.48	783.02	800.04 (11/12)	495.83 (2/1)
ITALY Banca Comm. Ital (1972)	78.51	79.02	80.15	81.40	95.86 (4/10)	68.38 (2/1)
JAPAN Dow Average (16/5/49)	6501.24	6443.98	6452.14	6461.34	6590.69 (29/9)	5525.87 (10/4)
Tokyo New SE (4/1/68)	453.56	449.98	449.67	448.12	465.24 (29/9)	435.13 (15/7)
NORWAY Oslo SE (1/1/72)	(u)	159.64	156.28	155.82	140.61 (28/11)	74.46 (16/1)
SINGAPORE Straits Times (1966)	412.92	412.56	408.88	407.89	423.55 (5/10)	346.34 (23/2)
SOUTH AFRICA Gold (1958)	(u)	507.2	485.7	481.3	507.2 (11/12)	228.40 (17/4)
Industrial (1958)	(u)	441.7	(u)	458.8	441.7 (11/12)	270.50 (2/1)
SPAIN Madrid SE (29/12/78)	82.85	82.46	(c)	82.46	111.86 (8/3)	80.67 (4/12)
SWEDEN Jacobson & P. (1/1/58)	348.38	352.78	355.70	356.02	401.34 (6/2)	331.37 (24/9)
SWITZERLAND Swiss Bank Cp. (31/12/58	304.5	304.2	303.8	306.00	329.10 (2/5)	294.00 (8/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
General Motors	378,200	51⅝	+ ⅛
Gulf Oil	315,300	35¼	− ¼
IBM	295,200	65½	− ¼
Mesa Royalty	294,100	36⅞	+3⅞
Mobil	291,900	53⅞	+ ⅞
Saxon Inds.	290,400	9¼	+1
Exxon	286,000	56¼	− ½
Am. Tel. & Tel.	264,200	53¼	− ⅛
Howard Johnson	262,600	21⅞	+1⅞
Sears Roebuck	248,700	18½	+ ⅛

هكذا من الأصل

هكذا من الأصل

COMMODITIES and AGRICULTURE

France launches metals stockpile plan

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government is launching a new state-backed fund to raise money from the general public for investment in strategic raw material stocks.

The aim of the scheme, announced after a cabinet meeting yesterday, is to generate FFr1.6bn (£179.42m) for investment in commodities over the next two years. France currently has some FFr 400m worth of strategic stocks, but considers these insufficient at a time of increasingly vulnerable supplies.

Discussions have been going on since the beginning of the year on means of stepping up the country's raw material reserves. But the Government has been hampered by the rise in interest rates which has made the cost of financing these stocks through traditional bank loans prohibitive. With the increasing budget deficit it has been forced to look for other methods to raise money for the commodity stockpile.

Under the new plan, the raw materials fund will be financed by the issuing of bonds which will be guaranteed by the state. These will be managed by a new financial organisation, the Caisse Francaise de Matiéres Premières.

The main effort in building up stocks in the immediate future will go into copper, lead, tungsten and chrome, the government said yesterday. In addition, platinum, zirconium and cobalt figure high on the list of strategic stocks.

But, in the longer term, France is also determined to step up its investment in the mining and metallurgical sectors, both at home and overseas.

With this objective in mind, further efforts to develop both financial and technical expertise to help the mining industry are now being examined. But these will be designed to assist both the exploration and exploitation of mineral resources in cases where the national supply position is important.

France's strategic stockpile policy dates back to 1975. Various efforts to develop this policy have been made since then, with investigation of ways of investing in resources in the developing countries, and joint ventures for processing raw materials at their place of origin. Although none of these initiatives have progressed much so far, the authorities will clearly be in an improved financial position to step up their efforts on these fronts with the backing of the new fund.

During the last year, more attention has also been concentrated on this issue by the oil crisis, which has served to highlight France's vulnerability to sudden changes in the supply and prices of its raw materials. Apart from oil, imports of commodities are expected to cost the country FFr 50bn this year, and will run up a net deficit in the region of FFr 20bn.

Farm rents up 18.6%

By Our Commodities Staff

ENGLISH FARM rents continued to rise faster than the inflation rate in the year to mid-October.

According to figures released by the Ministry of Agriculture yesterday the average rent of agricultural land in England in mid-October stood at £47.66 per hectare, compared with £40.20 a year earlier. This is a rise of 18.6 per cent and compares with an 18.5 per cent rise in the preceding 12 months.

The average rent of the 34 per cent of the farms surveyed which had a rent change during the year rose 55.2 per cent from £36.73 to £56.99 per hectare.

Rent changes by agreement with sitting tenants remained by far the most common method of determining new rents, the Ministry said.

The survey covered about 24,000 farms with a total area of 1.5m hectares. This represents about 35 per cent of England's tenanted agricultural land.

NZ wool chief to stand down

Mr. John Clarke, chairman of the New Zealand Wool Board, will not offer himself for re-election when his term of office expires next August, the International Wool Secretariat (IWS) said yesterday.

Mr. Clarke is also senior vice-chairman of the IWS. Reuter

Lower beef supply forecast

BY RICHARD MOONEY

SUPPLIES OF beef and veal in Britain next year could be down as much as 4 per cent, the Meat and Livestock Commission said yesterday.

In its monthly UK market survey, published yesterday, the Commission forecast that imports would rise but with home-grown production expected to fall 55,000 tonnes to 970,000 tonnes overall supplies were likely to be reduced.

Slaughterings of steers and heifers would decline by 160,000 head to 2.69m, MLC estimated. This reflected reduced calf births in 1978 and lower numbers of cattle between one and two years old recorded at the June census.

MLC also predicted a reduction in dairy cow numbers. By June 1980 it forecast the British dairy herd would stand at about 3.23m head, 50,000 down from last June and the lowest total since 1976.

The beef supply outlook should provide encouragement to UK producers of pork, which is the traditional alternative to beef. Pig farmers have benefited this year from prices rising in spite of an increase in production.

Pork supplies were expected to rise about 1 per cent next year, MLC said, with increased imports likely to offset a decline in home production.

But bacon and ham supplies were expected to fall about 1 per cent in spite of a slight rise in imports.

Home production of pork was expected to remain at about 340,000 tonnes in the first half of 1980 while bacon and ham output was also likely to be unchanged at 100,000 tonnes, MLC said. But both were projected to fall during the second half of the year.

Mutton and lamb supplies were expected to be about 20,000 tonnes up next year with both domestic and imported supplies forecast to rise slightly. Sheep and lamb slaughterings in the 1980-81 (April/March) season were projected to rise 8-10 per cent to 11.1-11.3m head, following a 3 per cent fall to 10.3m in 1978-79, the MLC survey said.

In the three months to mid-November, beef and imported lamb prices were steady, the survey showed. Home produced lamb prices declined seasonally but pork prices increased.

In mid-November beef retail prices were 15 per cent higher than a year earlier and pork prices were 9 per cent up. Home produced lamb was 2 per cent dearer but New Zealand lamb prices fell by 3 per cent.

The UK meat price index in September was 12 per cent higher than a year earlier but MLC pointed out that this represented a 4 per cent decline in real terms. Household expenditure on meat was 13 per cent up compared with September, 1978.

Cameroon agrees Cassava plantation project

BY CHARLES BATCHELOR IN AMSTERDAM

THE Cameroon Government has agreed a Fl 16.20m ($8.10m) cassava project with HVA-Holland Agro Industries with the Dutch agriculture group managing the establishment of a 3,000 hectare plantation in the eastern province with processing plant to produce 4,000 tonnes of starch, glucose and tapioca a year.

An agreement has been signed for work on the project to start in July or August 1980. Holland Agro will oversee the establishment and management of the project for five years.

The plantation will produce a minimum of 20,000 tonnes of cassava a year to meet the needs of the Cameroon paper and cotton industries. It will allow the substitution of home-produced products for the estimated 1,500 tonnes of starch which Cameroon now imports each year.

The starch factory will be provided by the Dutch company Nivoba. The project will be partly funded by the International Finance Corporation of the World Bank.

Tin sales Bill passed

By Our Commodities Editor

THE U.S. House of Representatives last night approved a Bill authorising the sale of 35,000 long tons of tin from the strategic stockpile, as well as 3m carats of industrial diamonds. But it took out a provision in the Bill calling for the sale of 5m troy ounces of stockpile silver, which could jeopardise the Bill's prospects of being approved by the Senate.

The inclusion of silver in the Bill is a point of dispute between the two Houses. A compromise was agreed by the Senate-House conference committee reducing the amount of stockpile silver to be sold from 15m to 5m ozs.

There was some confusion on the London Metal Exchange tin market yesterday over the reports from Washington. Eventually cash tin closed £82.5 lower at £7,575 a tonne. Meanwhile, a world tin supply surplus of between 3,000 to 5,000 tonnes in 1980, without taking into account any stockpile sales, was forecast yesterday by Bernard Engel, deputy buffer stock manager of the International Tin Council.

Base metals were generally lower, although copper staged a partial recovery in late trading after cash wirebars fell by £20.5 to £988 a tonne.

However, silver prices reached record levels. The London bullion spot quotation was raised by 38p to 915p a troy ounce, reflecting a sharp increase in the U.S. silver markets.

EEC FARMING

French incomes rise despite the squeeze

BY CHRISTOPHER PARKES

FRENCH FARMERS held their own this year in spite of rising costs and pressure on prices. Provisional estimates of the agriculture industry's performance from the French Ministry of Agriculture show that the average producer's gross income rose 10.7 per cent and his real purchasing power increased by 0.9 per cent. This progress contrasts sharply with the depression in the British farming sector, which reckons that the cost-price squeeze has cut real incomes this season by 15 to 20 per cent.

Overall output from French farms increased by more than 5 per cent in volume for the third year in succession, reflecting significant increases in productivity and efficiency. Between 1961 and 1974 production rose by an average of only 2.6 per cent a year.

The progress tends to confirm the belief that there is considerable unrealised potential within the farming industry at large and that a squeeze on farmers sharpens up their performance considerably. In France this year oil product prices have jumped 22 per cent. Fertiliser has gone up 11 per cent, Government subsidies have been reduced by FFr 600m (£67.28m) and product prices rose by only 6.8 per cent—3 per cent less than prices for other industries.

Yet by tightening their management, and with a little help from the weather, farmers raised their output to compensate and still came out at the end of the season with a modestly improved standard of living.

While earnings from some crops rose far more than the average—potato growers made about 66 per cent more than last year and quality wine prices also increased by more than 30 per cent—most of the gains came from increased production.

After a horrific start to the year, when frost was thought to have destroyed vast acreages of grain, cereal crops yielded exceptionally well.

The total yield is now expected to be 3 per cent more than in 1978 thanks to good crops from spring-sown grain and a 12 per cent increase in the maize acreage. Wheat and barley yields are estimated 1 per cent higher and maize output is expected to be 9 per cent up.

Wheat prices are 5 per cent higher than last year, barley has gone up 10 per cent while maize is fetching about 4 per cent more.

A 6 per cent fall in potato production helped boost prices, and bad weather at the start of the year resulted in strong demand for other fresh vegetables, which in turn resulted in higher prices. The average value of fresh vegetables for the year as a whole has been some 16 per cent higher than in 1978.

In the livestock markets, unexpectedly high sales of cattle held down price increases to only 5 per cent more than 1978. But this figure is distorted because a large proportion of the slaughterings in the year were of cows which produce lower quality and cheaper beef than bulls and bullocks. In the meantime the cows have been replaced in dairy herds by younger animals and the national beef herd has been built up following two years of heavy killings.

After a bad time in 1978, the pork market has also improved, while lamb producers have been suffering from low prices because of a 10 per cent increase in output. Difficulties in the sheep industry have reached crisis point in some parts—notably the south-east, where drought has added to farmers' problems.

Milk deliveries have increased by 3 per cent, the Ministry says, but prices have remained strong because of a good market for fresh dairy products and cheese.

Sugar pact decision postponed

BY JOHN EDWARDS, COMMODITIES EDITOR

THE International Sugar Organisation executive committee meeting in London yesterday called to review the world market situation, took no firm decisions. It will meet again next week.

The executive committee may decide to increase export quotas next year in a bid to damp down the recent price upsurge and stop them rising above 15 cents a lb at which level quotas would automatically be suspended.

World market prices eased yesterday on news that the EEC Commission had authorised exports of 77,000 tonnes of white sugar with a maximum rebate of 18.291 European currency units per 100 kilos.

Although this was 10,000 tonnes below last year's peak EEC export figure, it was well above average weekly offerings this season. It is claimed that traders have been raising their bids for exports at a lower rate of subsidy following substantial sales to both China and the Soviet Union. China's crop is reported to have suffered from bad weather and yesterday Australia announced a record sale of 130,000 tonnes to the Chinese.

The recent heavy purchases by the Soviet Union, which are believed to have included a large amount of EEC sugar, are reported to be upsetting the U.S., who claim that the Russians are not sticking to the International Agreement's regulations governing buying from non-member countries. The U.S. is also said to be angered by rumours that Cuba has been manipulating the New York futures market. This is currently being investigated by the Commodity Futures Trading Commission.

Meanwhile, the U.S. Congress Ways and Means sub-committee has approved legislation enabling the U.S. to meet it financial obligations under the Agreement. But it will not present the measure to the House until Febuary. At the same time it has added a clause that the U.S. will withdraw from the Agreement if an unwarranted rise occurs in the price of sugar, due to market manipulation by members of the Agreement.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower on the London Metal Exchange. Forward metal edged up to £1,010 on the pre-market but came under pressure in the rings with the price dipping to below £1,000 owing to trade selling. In the afternoon the market weakened further to £988 as a poor opening on Comex prompted stop-loss and long liquidation. However, trade buying entered the market at this level and forward metal rallied to close the late kerb at £994.5. In the late inter-office trading the strength of the bullion price encouraged renewed buying of copper and forward metal was quoted around £1,005 level. Turnover 18,950 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	987-8	—2	987-9	—20.5
3 months	1001.5-2.5	+3	[illegible]	+17.5
Settlem't	998	—2	—	......
Cathodes				
Cash	965-6	+1.5	955-8	—18
3 months	980-1	+4	970-2	—16
Settlem't	966	+5	—	......
U.S. Prod.	—	......	*105-107	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £999, 98, 97.5, three months £1,006, 1,005, 1,004, 1,005, 1,004, 1,003, 1,001, 1,002. Cathodes, cash £967, 66, three months £981, 82, 81. Kerb: Wirebars, three months £1,001, 1,000, 999. Afternoon: Wirebars, three months [illegible]93, 94, 95, 96, 95, 94.5, 91, 90, 89, 90, 91, 90.5, 91, 91.5. Cathodes, three months £971. Kerb: Wirebars, three months £991, 92, 93, 94, 95.

TIN—Lost ground. Forward metal opened around £7,400 and eased back to £7,385 on the morning kerb reflecting a fall at Penang. In the afternoon forward material fell afresh to £7,350 reflecting renewed heavy selling but then rallied to £7,400 on talk that the U.S. stockpile disposals bill would exclude tin. However, a report that the bill will include the tin sales and had been passed depressed values with forward metal finally £7,350 on the late kerb. Turnover 1,425 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7600-10	—157	7570-80	—82.5
3 months	7400-30	—27.5	7370-95	—55
Settlem't	7610	—175	—	......
Standard				
Cash	7600-20	—157	7570-80	—82.5
3 months	7400-10	—27.5	7370-5	—55
Settlem't	7610	—175	—	......
Straits. E.	$[illegible]2110	—15	—	......
NewYork	—	......		......

Morning: Standard, cash £7,600, 7,590, 95, 7,600, 7,610, three months £7,390, 80, 90, 95, 7,400. Kerb: Standard, three months £7,390, 80, 85. Afternoon: Standard, three months £7,380, 70, 60, 70. Kerb: Standard, three months £7,370, 7,400, 7,380, 90, 7,400, 7,390, 7,376.

LEAD—Down again reflecting the fall in copper and chartist and stop-loss selling. Forward metal traded around £527.5 on the pre-market but declined to the day's low of £510 in the afternoon as chartist and stop-loss selling emerged in the low £520s. However, short covering prompted by the rally in copper saw forward metal stage a recovery to £517.5 on the late kerb. Turnover 14,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	[illegible]	—11	528-30	—17
3 months	523-4	—9	515-6	—14
S'ment	538	—11	—	......

Morning: Cash £540, 39, 38, three months £527, 26, 25, 24. Kerb: Cash £535, three months £525, 23, 22, 20, 21, 20. Afternoon: Three months £514, 12, 13, 14, 15, 14. Kerb: Three months £516, 17, 18.

ZINC—Held steady. After easing marginally to around £347 in the morning forward metal edged up to close the late kerb at £349.5 after a day of fairly routine trading. Turnover: 4,550 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	339.5-40	+.75	338-9	—2.5
3 months	346-.5	—.5	346-7	—2
S'ment	340	+0.5	—	......
Prim w'st	—	......	*37.5	......

Morning: Cash £341, 39, 39.5, 41, 40, three months ...

ALUMINIUM ...

NICKEL ...

I.G. Index Limited 01-351 3466. March Sterling 2.1760-2.1860.
29 Lamont Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 420-425 (—2)

INSURANCE BASE RATES
† Property Growth 13½%
† Vanbrugh Guaranteed 14½%
† Address shown under Insurance and Property Table.

CONTRACTS AND TENDERS

GOVERNMENT OF YEMEN ARAB REPUBLIC

HOUSING CREDIT BANK

TENDER NOTICE FOR CONSTRUCTION AND COMPLETION OF 2,000 DWELLING UNITS

The Housing Credit Bank invites tenders from internationally reputed firms for constructions and completion of 2,000 dwelling units for which the framework of about 500 units has been constructed.

Tender documents can be purchased starting 18th December 1979 against non-refundable cash price of U.S. dollars 500. Interested tenderers should personally collect the documents from:

Housing Credit Bank,
Office of the Chairman,
P.O. Box 638,
Sanaa.

Tenders duly completed should be submitted by hand in sealed envelopes to the Chairman of the Housing Credit Bank, Mr. Ahmad Jaber Afif, not later than 18th February 1980 (10 a. local time).

COFFEE

London coffee futures opened £5-£10 lower in mixed dealings and failed to recover any losses during a quiet morning session when prices tended to ease under dealer selling pressure in nearby positions, reported Drexel, Burnham, Lambert. Scale down buying in the afternoon held the markets relatively steady but gradually weakened to finish around the lows of the day.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1830-35	—18.0	1840-18
March	1660-61	—18.0	1672-58
May	1612-13	—18.0	1619-11
July	1599-00	—18.0	1607-97
Sept.	1590-92	—18.5	1600-92
Nov	1580-90	—16.0	1580
January	1566-90	—14.5	—

Sales: 2,953 (4,663) lots of 5 tonnes.

ICS Indicator prices for Dec. 11 (cents per pound): Other Mild Arabicas 197.50 (197.83). Robusta ICA 1976 178.75 (180.00). ICA 1968 179.00 (180.25). Unwashed Arabicas 214.00 (213.00). Comp. daily ICA 1968 198.42 (198.56).

GRAINS

LONDON GRAINS FUTURES — Old ...

(U.S. cents per pound): Daily price Dec 11: 144.06 (140.81). Indicator price Dec. 12: 15-day average 142.32 (141.87): 22-day average 140.14 (139.68).

RUBBER

COCOA

Spot 66.75p (67.50p); Jan. 68.50p (66.75p); Feb. 67.50p (67.75p).

SILVER

Silver was fixed at its highest level ever in the London bullion market yesterday at 915.0p, a rise of 6.85p an ounce from Tuesday's fixing. ...

SOYABEAN MEAL

SUGAR

PRICE CHANGES

In tonnes unless otherwise stated.

MEAT/VEGETABLES

WOOL FUTURES

AMERICAN MARKETS

NEW YORK, December 12.

THE PRECIOUS metals were mixed with gold showing losses on profit-taking and silver remaining firm on the U.S. House of Representatives deleting the section of the stockpile Bill authorising sales of silver. Copper was unchanged to slightly lower on the strength of precious metals earlier in the day. Sugar weakened in sympathy with the decline in gold late in the day, while cocoa was mixed on lower sterling. Coffee was sharply lower on the proposal to extend the delivery period for the December contract. The livestock complex was sharply higher on a firm tone to cash markets. The soyabean and grain complex were lower on the lack of commercial support, Heinold reported.

Cocoa—Dec. 134.45 (134.95). March 138.75 (139.95). May 139.45, July 140.50, Sept. 141.50, Dec. 31.30, March 31.80. Sales 1,000.

Coffee—"C" Contract: Dec. 210.00-214.00 (217.47), March 192.25, May 181.39, July 179.34, Sept. 178.82, Dec. 176.00, March 173.63, Sales: 1,625.

Copper—Dec 103.70 (103.70), Jan. 100.70 (100.70), Feb. 100.70, March 100.50-100.80, May 99.50-99.80, July 99.75, Sept. 99.70, Dec 99.75, Jan. 99.85, March 100.10, May 100.35, July 100.80, Sept. 100.85. Sales: 6,300.

Cotton—No. 2: March 71.35-71.45 ...

... 15.43, July 15.50-15.52, Sept 15.53, Oct. 15.55, Jan. unquoted, March 15.73, May 15.80-15.95. Sales 15,008.

Tin—779.00-800.00 asked (785.00-815.00).

CHICAGO, December 12.

Lard—Chicago loose 21.00 (same), New York prime steam 22.50.

Live Cattle—Dec. 68.57 (67.07-68.57), Jan. 70.45-70.50 (69.60-70.40), Feb. 71.90-71.85, April 73.35-73.20, June 74.60-74.45, Aug. 73.75-73.80, Oct. 72.50, Dec. 73.00. Sales: 31,068.

Live Hogs—Dec. 42.07-41.75 (41.85-41.90), Feb. 44.95-44.85 (43.62-44.90), April 42.35-42.40, June 45.60-45.55, July 46.40-46.62, Aug. 45.00, Oct. 44.00, Dec. 45.00, Feb. unquoted. Sales: 9,059.

‡‡Maize—Dec. 270¾-270⅝ (271¼), March 287¾-287 (288¾), May 298½-298¾, July 308-308¾, Sept. 311, Dec. 312½.

Pork Bellies—Feb. 51.70-51.60 (49.80-51.65), March 51.80-52.00 (50.12-51.90), May 53.45-53.50, July 54.50-54.55, Aug. 53.35. Sales: 9,582.

Silver—Dec 2010.0 (1992.0), Jan. 2030.0 (2016.5), Feb. 2060.0-2065.0, April 2110.0-2115.0, June 2145.0, Aug. 2173.5, Oct. 2201.5, Dec. 2230.0, Feb. 2258.0, April 2286.5, June 2315.0, Aug. 2343.0, Oct. 2371.5, Dec. 2399.5, Feb. 2427.5, April 2455.0, June 2472.5, Aug. 2500.0 ...

EUROPEAN MARKETS

ROTTERDAM, December 12.

Wheat—U.S. No. 2, Dark Hard Winter, 13.5 per cent, Jan. $212, Feb. $214, March $216. U.S. Hard Winter ordinary unquoted. U.S. No. 2, Red Winter, Jan. $200, Feb. $202, March $204. U.S. No. 2, Northern Spring, 14 per cent, Dec. $205, Jan. $214, Feb. $220, March $223.

Maize—U.S. No. 3 Corn Yellow afloat $139, Dec. $140, Jan.-March $146.75, April-June $152, July-Sept. $155, Oct.-Dec. $158.

Barley—1/2 Canadian feed/U.S. April-May $158.

Soyabeans—U.S. Two Yellow Gulf-ports, Dec. $275, Jan. $280.25, Feb. $288.50, March $290.25, April $294.75, May $295.75, June $301, July $302, Aug. $304.80, Sept. $306.30, Oct. $307.25, Nov. $307, Dec. $312.50. Brazil Yellow Faq unquoted. Argentine May $291, June $292.25, July $292.80, Aug. $296.50.

Soyameal—44 per cent protein U.S. afloat $258, Dec. $254.50, Jan. $255, Jan.-March $254, April-Sept. $253. Brazil Pellets afloat $270, Dec. $268, March $254.50, April-May $252, April-Sept. $256 sellers. Dec. $266, April-May $250.75 sellers.

PARIS, December 12.

Cocoa (FFr per 100 kilos)—Dec. 1325-1350, March 1310-1315, May 1313-1315, July 1310, Sept 1330-1360, Dec. 1351-1360. Sales at call 0.

INDICES

FINANCIAL TIMES

Dec. 12	Dec. 11	M'nth ago	Year ago
296.44	297.58	299.64	257.04

(Base: July 1, 1952=100)

MOODY'S

Dec. 12	Dec. 11	M'nth ago	Year ago
1210.9	1206.2	1152.0	970.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 12	Dec. 11	Month ago	Year ago
Spot	413.99	415.50	410.36	383.97
F'tur's	419.78	430.29	420.29	378.90

(Average 1924-25-26=100)

REUTERS

Dec. 12	Dec. 11	M'nth ago	Year ago
1698.5	1700.7	1710.5	1509.0

(Base: September 18, 1931=100)

Government stocks make fresh progress and equities maintain firm trend—Gold shares well below best

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 19	Dec. 6	Dec. 7	Dec. 17
Dec. 10	Dec. 26	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21

* "New time" dealings may take place from 9.30 am two business days earlier.

Encouraged by last month's slackening in monetary growth, stock markets tended to disregard the fresh increase in bank yesterday. Progress by Gilt-edged securities was at a more sedate pace after Tuesday's late excitement on exhaustion of the near-short tap stock, Treasury, 15 per cent, 1985.

Once again, leading equities went higher from the outset but the ensuing trade was of little substance, the majority of investors being content to hold off in view of the reported approach to the railwaymen to support the national steel strike called for early next month.

Caution was also being shown in front of the November trade returns and retail price indices, due tomorrow. Nevertheless, sellers were again inactive and most leading issues ended the day a shade harder. The FT 30-share index improved 0.7 more to 423.6 for a rise of 8 points over the last three trading days.

Elsewhere, in the equity sectors, interest centred on companies announcing trading statements. Occasional pockets of speculative activity were also still evident, but secondary Oils boiled over after recent strength on expectations of increased North Sea revenues when crude oil prices are eventually raised.

Gold shares went further ahead in the earlier dealings following the rise in bullion to a record level. The subsequent reaction in the latter, however, left prices well off the top and final quotations were only marginally better on balance.

Continuing the previous day's strength, motivated partly by the authorities' view on monetary growth in November and by the exhaustion of the near-short tap stock, Treasury 15 per cent 1985, Government stocks began ¼ to ½ higher. A fair trade developed often comprising switching operations, and the longs improved further to a maximum of ¾, before easing late in line with the shorts.

This end of the market proved to be more volatile, possibly on thoughts of a replacement tap stock and, although final gains extended to 7/16, some stocks were a shade easier on the day. After the official close, gains in all quotations were pared a little more.

Confirmation that sanctions on Rhodesia were to be lifted immediately generated a fresh rise in Southern Rhodesia bonds with the emphasis on the 6 per cent 1978/81 issue, which jumped 7 points to £152, and the 2½ per cent 1965/70, up 5 points at £120, both to new peaks.

Continuing bid rumours touched off a lively Traded options busines in Cons. Gold Fields, which recorded 309 deals out of a total of 513.

Spring Grove Securities staged a rather disappointing debut and, from an opening level of 74p, slipped to 69p which compares with the striking tender price of 70p.

Keyser good late

Banks were featured by a late flurry of speculative bid enthusiasm for Keyser Ullmann; from the "house" close of 61p, the shares spurted ahead to close a net 8 better at 67p. Other merchant banks encountered selective support with Hambros, 272p, and Mercury Securities, 138p, closing 4 higher. Elsewhere, Investment buying on consideration of their substantial South African interests helped Standard Chartered rise 15 to 468p, after 470p. The major clearers made further modest progress, Barclays adding 6 more to 416p and Lloyds 5 to 305p.

Quietly firm conditions prevailed in Insurances. Royals put on 8 to 333p and Pearl gained 8 to 278p.

Anticipations of a strong defence to the Hiram Walker offer coupled with hopes of a possible counter-bid lifted Highland Distillers 8 to 156p, a premium of 26 over the HW offer. Other Distilleries tended firmer in sympathy. Invergordon advanced 7 to 217p, while Arthur Bell, 176p, and Tomatin, 185p, both added 4. Distillers put on a couple of pence at 212p ahead of today's interim statement, while H. P. Bulmer firmed a penny to 161p following the increased mid-term profits. Business in Breweries remained subdued, but the leaders finished a penny or two better. Among regional issues, Davenports attracted renewed speculative support and rose 7 to 140p.

Support was forthcoming for selected Building issues, but the gains were usually of modest proportions. Among the best were Mallinson-Denny, which responded to a speculative flurry with a gain of 4½ to 47p, while James Latham, at 153p, recovered most of the previous day's fall of 10 on the lower half-yearly profits. Comment on the interim statement helped International Timber add 3 at 104p, but Phoenix Timber, awaiting today's mid-term results, eased 3 to 138p. Elsewhere, Baggeridge Brick touched 41p before settling a net 2 higher at 39p in response to the annual results, but Marley, despite preliminary profits in line with expectations, shed a penny to 78p. UBM, however, continued to attract buyers and added another 1½ at 61p.

In Chemicals, Carless Capel responded to favourable Press comment with a gain of 6 to 70p. Allied Colloids encountered further speculative support and rose 4 more to 134p, while Arrow put on 7 to 80p for a similar reason. Buying ahead of the interim results, due next week, lifted Plysu 9 to 105p. Of the leaders, ICI touched 372p before drifting back to close a couple of pence cheaper on balance at 368p.

Debenhams easier

News that the rumoured sale of its Harvey and Nichols store in Knightsbridge will not take place prompted a reaction of 2 to 66p in Debenhams. Elsewhere in Stores, Mothercare found support at 182p, up 4, while House of Fraser hardened a couple of pence to 115p. Blackman and Conrad put on 1½ to 15p in response to the sharp increased first-half earnings, while Bambers revived with a rise of 5 to 78p. B and Q Retail added 4 to 84p as did Grattan Warehouses to 110p, the latter on revived bid hopes. Ratners, on the other hand, gave up 3 at 46p. In Shoes, Stylo, at 190p, retrieved 5 of the previous day's fall of 20 which followed the chairman's denial of a bid for the company.

Electrocomponents, up 12 at 435p, and Farnell 14 higher at 236p, featured Electricals. Rumours of a counter bid for Cableform to challenge the 90p per share cash offer from Tricentrol prompted a rise of 5 to 93p, after 94p in the former. Decca and the A rose 5 apiece to 305p and 270p respectively following Press comment while Telephone Rentals added 8 to 184p and Wholesale Fittings gained 5 to 420p.

Engineering leaders edged higher, Vickers improving 3 to 110p and GKN 2 to 258p. Elsewhere, companies making trading statements generated a little interest. Deritend featured with a rise of 9 to 138p in response to the increased interim profits, while better-than-expected annual results left CompAir 4 to the good at 81p. Satisfactory half-yearly figures prompted a gain of 5 to 45p in S. W. Wood, but Butterfield Harvey fell 5½ to 43p on the mid-way loss. Renewed demand in a limited market left Williams and James up 10 more at 170p. Occasional support lifted B. Elliott 7 to 210p, while news of the £5.5m Chinese contract stimulated buying of Babcock, 4 dearer at 108p. Bullough firmed 6 to 176p, while gains of 3 were marked against Startrite, 53p, Mining Supplies, 69p, and Richards of Leicester, 41p. Assisted by the contract to supply car radiators to Volkswagen of the U.S., IMI hardened 1½ to 41p.

Noteworthy movements in Foods were few, but United Biscuits encountered buyers and rose 3 to 80p. Elsewhere, a small speculative interest was shown for Avana, which added 2 to 99p. Among Hotels and Caterers, Queens Moat Houses put on 2½ to 33p as speculative interest revived.

UTD Gas firm

Secondary issues again claimed most of the attention in miscellaneous industrials. Further buying in front of today's interim results helped United Gas Industries put on 5 more to 76p, after 80p, while Channel Tunnel advanced 11 further to 115p on hopes that the project could become operative next year. Redfearn National Glass rose 13 to 225p in response to the better-than-expected preliminary profits and Smiths Industries gained 4 to 172p following the chairman's encouraging remarks at the annual general meeting. Still drawing strength from Press comment, Jardine Matheson put on 7 to 154p, while ICL gained 3 to 448p awaiting today's annual figures. Speculative support was forthcoming for Hoover "A," 7 higher at 127p, while Trafalgar House hardened 2 to 58p after comment on the preliminary results. Robert Moss added 2 to 22p in response to the higher interim earnings and Dundonian were notable for a rise of 3 at 33p. De La Rue put on 10 to 630p as did Diploma Investments at 350p but Elson and Robbins fell 6 to 107p, after 105p, on news of the proposed £1.3m rights issue which accompanied the results. The revelation that an earlier profits forecast from the newly-acquired Caplan Profile had been overstated prompted a reaction of 2 to 57p in Pentos, while profit-taking after the recent good rise left North Sea oil favourite National Carbonising 4 lower at 124p. Bowater stood out among the leaders with a rise of 5 to 155p, after 156p.

Selective support arose for Motor Components. Dowty encountered a useful business and rose 9 to 153p, while Flight Refuelling added 4 more at 172p. Dunlop, however, met with profit-taking after the recent Press-inspired rise and eased 2 to 54p. Elsewhere, buying was evident in ERF, 4 up at 91p, and in Fodens, 3 better at 42p. Arlington put on 4 for a two-day rise of 13 to 110p following Tuesday's half-timer.

Saatchi and Saatchi with preliminary results today, rose 5 to 142p. Elsewhere in Paper/Printings, John Waddington slipped 4 to 124p; last year the interim results were announced on December 29. Culter Guard Bridge eased a shade to 24½p on second-thoughts about the interim statement, but DRG attracted support and rose 6 to 91p.

Properties began firmly, but the gains were subsequently trimmed as demand was satisfied. Land Securities finished unchanged on balance at 268p, after 270p, but MEPC retained a gain of 2 at 165p. Stock Conversion improved 4 to 358p and Scottish Metropolitan firmed 3 to 122p. Buying ahead of today's half-yearly results lifted Haslemere 4 to 266p, while Peachey put on 5 to 114p on asset value considerations.

Oils quieter

Firm at the outset, support for secondary Oils eventually petered out and closing levels were usually well below the day's best. Oil Exploration touched 705p before settling 6 higher on balance at 696p and Lasmo reverted to the overnight level of 372p from 382p; rumours of a bid for the combined group persisted. Ultramar, however, retained a gain of 6 at 416p, but Tricentrol ended 4 cheaper on balance at 276p, after 282p. Of the leaders, Shell and British Petroleum hardened 2 apiece to 342p and 366p respectively.

In Overseas Traders, S. and W. Berisford improved 10 to 163p after favourable Press comment. Guthrie fell to 585p soon after announcement of the interim results but recovered to end only a couple of pence lower on balance at 800p.

Golds up again

A heavy turnover was again reported in mining markets. Another steady performance by the bullion price—it closed 50 cents easier on balance at £447 an ounce after touching a peak £450.50 despite the announcement that Canada intends to sell 1m ounces of gold—brought on renewed buying of South African Golds.

Prices opened a shade easier on the Canadian news but quickly responded to the fresh rise in gold, which prompted sizeable London buying throughout the day.

This was partly met by overseas profit-taking but the weight of buying increased in the late trade and prices moved ahead accordingly with the low cost producers particularly in demand.

Among the latter Vaal Reefs, and West Driefontein were outstanding with rises of around £1¼ apiece at £25 and £32 respectively. Free State Geduld put on a half-point to £19 and Buffels ¾ to a 1979 high of £13¾.

Medium-priced issues were featured by Blyvoor, which advanced 23 to a high of 532p but the disappointing dividend declarations produced a further fall of 44 in Libanon, 763p, and a decline of 4 in Doornfontein, 439p. The Gold Mines index improved 1.2 to 263.7—its eleventh rise in the past 12 trading days.

Financials made good progress in line with Golds. Gold Fields climbed 16 more to 368p, after a year's peak of 370p as heavy fresh buying easily overshadowed persistent profit-taking.

Charter added 7 to a 1979 high of 133p reflecting its interest in the Ashton diamond venture, while Rio Tinto-Zinc put on 6 more to 308p; RTZ's Australian associate CRA is the major partner in Ashton. Tanks gyrated between a 1979 high of 238p and 222p before settling a penny harder on balance at 224p.

In Australians Ashton Mining climbed to 116p before closing unchanged at 112p, Conzinc Riotinto put on 4 more to 206p and Northern Mining rose 2 to 98p after 103p. Other diamond exploration issues showed North West Mining 4 better at 27p and Paringa up 3 to a year's high of 60p.

The energy related issues registered strong gains with the Rundle oil-shale partners heavily bought owing to various rumours including a deal with a U.S. oil major and a possible bid for Southern Pacific Petroleum. The latter soared to a peak 720p before closing a net 130 higher at 700p, while Central Pacific touched a high of £17 prior to closing £1½ up at £16. In Golds bid rumours lifted Poseidon 10 to 101p.

News that sanctions are to be lifted as from last night saw Rhodesians marked up. Falcon Mines, additionally boosted by the surge in gold, rose 15 to 425p.

FINANCIAL TIMES STOCK INDICES

	Dec. 12	Dec. 11	Dec. 10	Dec. 7	Dec. 6	Dec. 5	A year ago
Government Secs.	64.57	64.09	63.50	63.46	63.94	64.26	[illegible]
Fixed Interest	65.91	64.79	64.58	64.27	65.37	65.58	70.1
Industrial	423.6	422.9	419.2	415.6	416.7	419.8	[illegible]
Gold Mines	263.7	262.5	259.7	245.2	247.4	256.8	[illegible]
Ord. Div. Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Earnings, Yld. % (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net) (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

10 am 425.1. 11 am 425.8. Noon 425.4. 1 pm 424.7. 2 pm 424.8. 3 pm 425.1.

Latest Index 01-246 8026.

*Nil=6.22.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (19/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	263.7 (12/12)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 12	Dec. 11
—Daily		
Gilt Edged	144.9	156.0
Industrials	101.0	101.5
Speculative	53.4	55.9
Totals	77.4	75.7
5-d'y Av'r'ge		
Gilt Edged	140.9	143.9
Industrials	108.2	107.4
Speculative	48.3	43.5
Totals	78.4	77.9

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (40)

BRITISH FUNDS (1)
Treasury 15pc 1985

LOANS (2)
S. Rhodesia 2½pc 1965-70 — S. Rhod. 6pc '78-81

BEERS (3)
Burtonwood Brewery — Invergordon — Highland Distilleries

CHEMICALS (1)
Carless Capel

ELECTRICALS (1)
Cableform

INDUSTRIALS (1)
Aeronautical & Genl.

TRUSTS (1)
Mooloya

OIL & GAS (4)
CCP North Sea — LASMO "Ops" — Clyde Petroleum — Ultramar

MINES (26)
Durban Deep — Cons. Gold Fields — [illegible] — Gold Fields of S.A. — Blyvoor. — New Witwatersrand — Buffels. — Tanks Cons. — Southvaal — Falcon — Vaal Reefs — Rhodesian Corp. — Venterspost — Zambia Copper — Western Areas — Central Pacific — Western Deep — Gold Mns Kalgoorlie — F.S. Saaiplaas — North Kalgurli — Harmony — Northern Mining — Loraine — Paringa Metals Expl. — President Brand — Southern Pacific

NEW LOWS (11)

AMERICANS (2)
First Chicago — I.U. Intl.

CHEMICALS (1)
Akzo

ENGINEERING (2)
Austin (J.) — Edbro

INDUSTRIALS (1)
Brit. Cargo 8pc Conv. Pref.

LEISURE (1)
Black & Edgington

NEWSPAPERS (1)
Assoc. Book Pubs.

PAPER (1)
Waddington (J.)

TEXTILES (1)
Trafford Carpets

TRUSTS (1)
E.P.L.I.T. Inc.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	330	—	—	—	—	67	1	365p
BP	400	7½	7	18	—	—	—	"
Com. Union	140	7	—	11	2	15	—	139p
Cons. Gold	280	92	26	105	—	115	—	368p
Cons. Gold	300	72	64	88	—	95	—	"
Cons. Gold	330	48	47	62	1	75	—	"
Cons. Gold	360	25	149	42	22	56	1	"
Courtaulds	100	¼	2	—	—	—	—	78p
GEC	330	16	16	35	—	49	—	331p
GEC	360	5	1	19	—	35	—	"
GEC	390	1	—	10	1	22	—	"
Grand Met.	126	9	10	—	—	—	—	132p
Grand Met.	130	—	—	15	—	19	5	"
Grand Met.	138	3½	2	—	—	—	—	"
Grand Met.	140	—	—	9	7	13½	—	"
Grand Met.	160	—	—	4	—	8	1	"
ICI	350	45	20	52	—	70	—	370p
ICI	380	16	14	31	—	48	—	"
ICI	390	4½	—	18	4	28	—	"
Land Secs.	240	35	1	45	—	55	—	269p
Land Secs.	260	17	5	32	[illegible]	[illegible]	[illegible]	"
Land Secs.	280	6	26	19	[illegible]	[illegible]	[illegible]	"
Land Secs.	330	814	—	5	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	80	8½	—	10	[illegible]	[illegible]	[illegible]	81p
Marks & Sp.	90	2	—	5½	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	100	¼	—	2½	[illegible]	[illegible]	[illegible]	"
Shell	325	26	17	—	[illegible]	[illegible]	[illegible]	342p
Shell	330	—	—	38	[illegible]	[illegible]	[illegible]	"
Shell	360	—	—	21	[illegible]	[illegible]	[illegible]	"
Totals			406		[illegible]		[illegible]	
		February		May		August		
EMI	140	5	20	7	10	[illegible]	[illegible]	133p
Imperial Gp.	70	11	—	18½	4	[illegible]	[illegible]	78p
RTZ	300	26	1	42	1	[illegible]	[illegible]	306p
Totals			21		15		[illegible]	

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Dec. 12, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. Dec. 11 Index No.	Mon. Dec. 10 Index No.	Fri. Dec. 7 Index No.	Thur. Dec. 6 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	232.55	+0.8	20.23	7.20	6.27	230.78	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	198.30	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (29)	325.13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	CONSUMER GOODS (DURABLE) (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (173)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (98)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (57)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (493)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (44)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	232.26	+0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. Dec. 12	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	99.54	+0.26	0.19	9.32
2	5-15 years	102.12	+0.52	—	10.82
3	Over 15 years	106.98	+0.84	—	12.48
4	Irredeemables	118.24	+0.97	—	13.59
5	All stocks	102.62	+0.41	0.07	10.86

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Wed. Dec. 12	Tues. Dec. 11	Year ago (approx.)
1	Low Coupons	5 years	12.81	12.83	[illegible]
2		15 years	12.82	12.97	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	14.95	15.00	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		12.42	12.54	[illegible]

		Wed. Dec. 12 Index	Yield %	Tues. Dec. 11	Mon. Dec. 10	Friday Dec. 7	Thurs. Dec. 6	Wed. Dec. 5	Tues. Dec. 4	Mon. Dec. 3	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.39	14.96	49.33	49.38	49.46	49.57	49.60	49.61	49.61	55.09
16	Investment Trust Prefs. (15)	45.66	14.60	45.36	45.68	45.85	45.85	46.00	46.00	46.00	50.91
17	Coml. and Indl. Prefs. (20)	61.16	14.64	61.18	61.25	61.20	61.21	61.20	61.29	61.15	72.38

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Cons. Gold Fields	25p	11	368	+16	370	178
Spring Grove	10p	9	69	—	74	69
ICI	£1	8	368	−2	415	314
LASMO	25p	8	372	—	398	124
Royal Insurance	25p	7	333	+8	443	288
Charter Cons.	2p	6	133	+7	134	69
East Driefontein	R1.0	6	989	+9	991	582
Tricentrol	25p	6	276	−4	284	148
Ultramar	25p	6	416	+6	416	197
BAT Inds.	25p	5	250	+2	362	243
Barclays Bank	£1	5	416	+6	514	360
GEC	25p	5	330	−1	458	311
Imperial Group	25p	5	78	—	108	74½
Marks & Spencer	25p	5	81	—	134	79
Pilkington "New"	Nil/pd.	5	6pm	+1	7pm	3pm

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 17	Dec. 28	Mar. 20	Mar. 31
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6

For rate indications see end of Share Information Service

In a better trade, Call options were completed in FNFC, Birmid Qualcast, Ashton Mining, Attock Oil, Woodside, Poseidon, Stocklake, Mooloya, Allied Colloids, Carrington Viyella, Elson and Robbins, S. & W. Berisford, Pleasurama, Consolidated Murchison, UDT, Charterhall, Status Discount, LOFS, British Land, Silvermines, Royco, Raybeck, Lloyds Bank and British Mohair. Puts were arranged in Western Areas and ICL, while doubles were done in Attock Oil, ICI, Cons. Gold Fields, FNFC, LOFS and United Gas.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

RISES AND FALLS YESTERDAY

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines FT — Mining Finance — Oils — Food Retailing — Property — Insurance (Life) — Merchant Banks — Wines and Spirits — Overseas Traders — Breweries — Financial Group — Newspapers and Publishing — All-Share Index — 500 Share Index — Entertainment and Catering — Electronics, Radio and TV — Chemicals — Stores — Electricals — Cons. Goods (Non-Dur.) Group — Shipping — Hire Purchase — Discount Houses — Insurance (Composite) — Industrial Group — Other Groups — Building Materials — Food Manufacturing — Consumer Goods (Durable) Group — Investment Trusts — Capital Goods Group — Contracting and Construction — Metal and Metal Forming — Packaging and Paper — Tobaccos — Motors and Distributors — Insurance Brokers — Pharmaceutical Products — Mechanical Engineering — Engineering Contractors — Office Equipment — Textiles — Household Goods — Toys and Games

† Percentage changes based on Tuesday, December 11, 1979, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Inl. Tst.	95.4	101.0xd	+0.8	3.49
Abbey Capital	33.3	36.0	+0.4	5.79
Abbey Income	39.5	42.4	+0.3	8.72
Abbey Inv. Tst. Fund	32.2	34.8	+0.2	6.41
Abbey Gen. Trust	44.7	47.8	+0.2	5.62
Equitas Prog. Trust	64.7	69.9xd	+0.5	6.02

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.8	95.3xd	----	12.96

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st.	69.4	74.3	+0.5	6.46
Brit. Inds. Fund	64.1	68.6xd	+0.5	6.56
Growth & Income	38.7	41.4	+0.3	5.80
Elect. & Ind. Dev.	34.2	36.6	+0.3	5.74
Allied Capital	70.0	74.9	+0.6	5.74
Hambro Fund	106.8	114.3xd	+0.8	6.43
Hambro Acc. Fund	132.5	141.8	+1.0	5.68
Income Funds				
High Yield Fd.	66.2	70.8	+0.4	9.89
High Income	64.2	68.7	+0.6	8.30
A. H. Eq. Inc.	38.2	40.9	+0.3	8.44
International Funds				
International	26.4	28.2	+0.2	2.86
Pacific Fund	39.4	42.2	+0.3	3.01
Secs. Of America	56.3	60.2xd	-0.3	2.33
Specialist Funds				
Smaller Co.'s Fd.	42.0	44.9	+0.3	5.01
2nd Smlr. Co's Fd.	52.4	56.1	+0.3	4.87
Recovery Sits.	103.8	111.2	+0.8	6.52
Met. Min. & C'dty.	49.0	52.4	+0.5	5.65
Overseas Earnings	53.5	57.2xd	+0.4	5.94
Exempt Funds				

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Dec. 7.	180.2	192.2xd	----	5.93

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.0	21.0	----	5.80
Gt. Winchester O'seas	19.3	21.8	----	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.7	74.5	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	69.6	73.2	+0.4	5.35

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.6	27.5	+0.2	2.41
Accum. Units	31.1	33.4	+0.3	2.41
J. Finlay High Income	31.8	34.2	+0.4	9.89
J. Finlay Euro.Fin.	23.9	25.7	+0.2	4.13
Accum. Units	30.0	31.7	+0.2	4.13
J. Finlay Fd.In.Tst.	27.8	29.9	+0.1	5.76

Prices on Dec. 12. Next dealing Dec. 19.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	51.4	54.6	----	1.33
American Turnaround	50.2	53.2	----	2.00
Capital Tst.	47.6	50.6	+0.2	5.36
(Accum. Units)	47.6	50.6	+0.2	5.36
Income Tst.	34.2	36.2xd	+0.2	8.81
Int. Growth Fd.	41.0	43.6xd	----	2.30
(Accum. Units)	43.4	46.0	-0.3	2.30

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.6	47.7xd	+0.4	5.35
Do. Accum.	61.6	65.8	+0.6	5.35

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Dec. 6	103.9	104.9	----	5.53
Gross Inc. Dec. 6	73.4	75.1	----	11.06
High Yield Dec. 6	80.3	81.9	----	10.50

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	101.7	108.1	----	3.80

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	37.1	40.5	+0.3	12.0
North American	50.5	56.1	-0.5	2.00
Canadian Exempt	52.1	55.5xd	----	3.00
Canadian Trust	49.6	53.0xd	-0.5	2.85
Mid Mount High Inc.	44.2	46.6	----	10.40
Recovery	44.3	48.1	+0.1	9.75
Gilt Trust	41.5	43.1xd	+0.2	9.94

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	25.2	27.2xd	-0.1	7.24
Cres. Internat'l.	57.3	61.4	-0.2	2.00
Cres. High. Dist.	39.9	43.0xd	+0.2	11.19
Cres. Reserves	40.2	43.2	+0.5	6.51
Cres. Tokyo	19.6	21.1	-0.3	1.00

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ## Only available to charitable bodies.

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

103¾	96	FFI 13pc 1981	96¼	......	13.44	16.04
108¼	94	Do. 14pc '83	94¼xd	+¼	14.85	15.98
86½	77½	ICFC 5½pc Deb. '80-82	80½	......	6.92	14.70
85	69	Do. 6¼pc Db. '81-84	71xd	......	8.80	14.60
99	79½	Do. 10½pc Uns. Ln. '86	80½xd	......	13.04	15.60
99	79½	Do. 11pc Uns. Ln. '88	79½xd	......	13.83	15.00
101½	80	Do. 11¾pc Uns. Ln. '90	80xd	......	14.68	15.80
72½	54½	Do. 7¼pc A Deb. '89-92	56	......	13.07	15.20
69	53	Do. 7¼pc A Db. '91-94	55	......	13.66	15.40
81½	64	Do. 9pc 'A' '91-94	65¾	......	14.20	15.30
78½	61½	Do. 8¾pc Ln. '92-97	64¼	......	14.58	15.20
102	85	Do. 12½pc Uns. Ln. 1992	88	......	14.52	15.00

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 68-72 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848
Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104: Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments—Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

120	56	Messina R0.50	110	......	Q10c	♦	5.4

MISCELLANEOUS

81	54	Barymin	62	......	—	—	—
$14\frac{1}{2}$	10	Burma Mines $17\frac{1}{2}$p	$11\frac{1}{2}$	......	—	—	—
365	170	Cons. Murch. 10c.	325	......	Q100c	♦	19.3
340	280	Northgate C$1	350	−10	—	—	—
362	226	R.T.Z.	308	+6	†11.5	3.4	5.3
31	12	Robert Mines	13	......	—	—	—
65	28	Sabina Indr. C$1.	30	−2	—	—	—
880	475	Tara Exptn. $1	495	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✝ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

" Recent Issues " and " Rights " Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	**IRISH**		
Bertam	16	......			
Bdg'wtr. Est. 50p	370	......	Conv. 9% '80/82	£85½	......
Clover Croft	32	......	Nat. 9¾% 84/89	£72¾	+⅛
Craig & Rose £1	£101½	......	Fin. 13% 97/02	£81	......
Dyson (R. A.) A	20	......	Alliance Gas	65	......
Fife Forge	45½	......	Arnott	340	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	56	......
Graig Ship. £1	800	+63	Clondalkin	81	......
Higsons Brew	75	+2	Concrete Prods.	85	......
Holt (Jos) 25p	255	......	Heiton (Hldgs.)	33	......
I.O.M. Stm. £1	150	......	Ins. Corp.	200	......
Pearce (C. H.)	360	......	Irish Ropes	69	......
Peel Mills	29	......	Jacob	35	+5
Sheff. Refrshmt	98	......	T.M.G.	144	+2
Sindall (Wm.)	165	......	Unidare	85	......

OPTIONS
3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	27
A. Brew	8	"Imps"	8	Unilever	40
BOC Intl.	6	I.C.L.	45	U.D.T.	4
B.S.R.	5	Inveresk	5	Utd. Drapery	10
Babcock	12	KCA	3½	Vickers	18
Barclays Bank	30	Ladbroke	17	Woolworths	6½
Beecham	13	Legal & Gen.	14		
Blue Circle	25	Lex Service	11	**Property**	
Boots	17	Lloyds Bank	24	Brit. Land	7
Bowater	16	"Lofs"	3½	Cap. Counties	9
B.A.T.	25	London Brick	6	Land Secs.	25
Brown (J.)	7½	Lonrho	6	MEPC	17
Burton 'A'	25	Lucas Inds.	20	Peachey	13
Cadburys	5½	"Mams"	15	Samuel Props.	14
Courtaulds	8	Mrks. & Spncr.	10	Town & City	2
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	5	**Oils**	
Dunlop	6	Nat. West. Bank	28	Brit. Petroleum	35
Eagle Star	14	P & O Dfd.	10	Burmah Oil	15
E.M.I.	12	Plessey	10	Charterhall	5
Gen. Accident	21	Racal Elect.	22	Premier	4
Gen. Electric	35	R.H.M.	4½	Shell	30
Glaxo	40	Rank Org.	18	Ultramar	22
Grand Met.	13	Reed Intnl.	17		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	23	Spillers	4½	Charter Cons.	16
G.K.N.	22	Tesco	7	Cons. Gold	18
Hawker Sidd.	16	Thorn	35	Rio T. Zinc	27
House of Fraser	14	Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday December 13 1979

NCB and unions warn on steel and pit closures

BY ROBIN REEVES AND CHRISTIAN TYLER

THE British Steel Corporation's plans to halve South Wales steel capacity and switch to cheaper imported coking coal will seriously hit the Welsh coal-mining industry, Mr. Philip Weekes, the NCB area director, warned yesterday.

He said that he was drawing up contingency plans for closure of up to 21 of the 37 collieries in South Wales, which would result in at least 15,000 redundancies among the area's 27,000 miners.

This would more than double, to more than 30,000, the number of jobs lost in South Wales directly as a result of the crisis in the steel industry.

BSC's latest retrenchment package calls for up to 15,000 redundancies at its giant Port Talbot-Llanwern works and as yet unspecified cut at associated "downstream" processing units in Wales, including the tinplate works at Trostre, Felindre and Ebbw Vale.

Further redundancies, in addition to the 6,400 already planned at Shotton, North Wales, are also likely, all by next August.

Mr. George Wright, the Wales TUC general secretary, warned that if the Government failed to intervene the prospect of a general strike was "a possibility." He sent a telegram to the Prime Minister, Mrs. Thatcher, urging her and senior ministers to visit South Wales to hear at first hand about the implications.

TUC leaders estimated yesterday that at least 50,000 more jobs nationally outside steel could be lost if BSC went ahead with its cutback, making over 100,000 in all.

These estimates, as well as raising the prospect of a confrontation with the miners, are likely to be used by the Opposition in today's debate in the Commons.

The line of the Opposition's attack is expected to be that the Government could not afford the social consequences, particularly in South Wales, of sticking to its refusal to fund further BSC losses.

Yesterday the TUC Economic Committee expressed "grave concern" and said: "At a time when steel industries throughout the world are facing difficulties because of the worldwide recession it is dangerous in the extreme to force British Steel to break even next year."

A meeting due today of steel unions and Mr. Len Murray, TUC general secretary, with Sir Keith Joseph, the Industry Secretary, has been postponed.

Mr. Bill Sirs, chairman of the TUC Steel Committee, repeated his warning yesterday that there would be mass action against the cuts, but also repeated that that did not necessarily mean industrial action.

The strength of trade union feeling will become clear at a meeting today of the TUC Steel Committee. Its recommendations will be passed back to the TUC General Council next month for its official support, Mr. Sirs said.

Full-time officials of all the unions involved are to meet in Cardiff early next week. The General Council of the Wales TUC will meet on Wednesday to consider calling an emergency conference early in the New Year.

On the coal effects, Mr. Weekes explained that halving the steel production capacity of Port Talbot and Llanwern to 2.75m tonnes a year would also halve BSC's consumption of South Wales coking coal to 1.6m tonnes.

This was the output of 11 collieries affecting more than 8,000 jobs.

"If BSC also choose to feed their blast furnaces with imported coking coal from the U.S. and Australia, you can double it to 21 collieries and 15,000 jobs." It would not be possible to find other markets.

The NCB and NUM have already arranged a joint approach to the Government to press for action to bridge the gap of £3 to £10 a tonne between domestic and imported coal prices. But Ministers' initial response has been discouraging.

Mr. Weekes stressed that unlike steel plant, it was impossible to "mothball" Welsh coalmines.

"If the Government wants to turn on the tap in five years' time, because of growing energy shortage, it won't be able to."

He denied that the threatened pits were in any case nearing the end of their life. Apart from one, they all contained useful reserves, he said.

● The executives of the National Union of Railwaymen and the train drivers' union, ASLEF, meet today to consider requests from Mr. Sirs to halt all steel movements by rail if the planned steel strike over pay goes ahead on January 2.

Steel closure leaves Consett without hope, Page 5

Meccano closure 'outraged' Minister

By Alan Pike, Labour Correspondent

AIRFIX MANAGEMENT appeared to have "behaved like a caricature of an 18th-century millowner" if reports of the closure of the Meccano factory at Liverpool were correct, Mr. David Mitchell, Under-Secretary at the Department of Industry, said yesterday.

Mr. Mitchell told a delegation of workers from the factory, closed abruptly a fortnight ago, and local MPs that he would seek a meeting with the management

The Department of Employment is already conducting an investigation to see if there has been a breach of the Employment Protection Act, since the company did not give the usual 90 days' advance notice of redundancies.

Mr. Mitchell admitted to the delegation that he felt a "sense of outrage" at the reported circumstances of the closure.

He told them that he would take up with Department of Health and Social Security Ministers complaints of difficulties in the payment of social security benefits.

But he said that further financial assistance to either Airfix or a possible buyer of the Meccano factory would be considered only if it were likely to lead to a viable project.

Some redundant Meccano workers have occupied the factory and attempted a work-in since the closure on November 30.

Mr. Frank Bloor, convenor, said after yesterday's meeting with Mr. Mitchell: "We won't give up. We will continue our fight until we have saved our jobs."

He said that many orders for toys had been received since the closure, and one buyer in the U.S. wanted £2½m-worth of stock. "At this stage we are not interested in selling stock. We want our jobs."

Mr. David Alton, Liberal MP for Liverpool Edgehill, said after the meeting that the Meccano factory had a very willing work force, and could be saved.

He feared that there might be a move to take the famous names of Meccano and Dinky from Merseyside and "manufacture them in Hong Kong or somewhere like that."

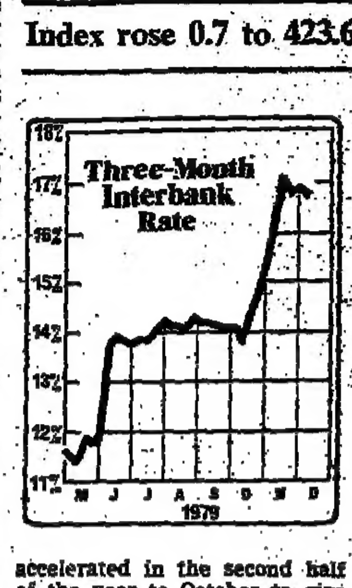
He intends to raise the closure in the Commons today, and again in an adjournment debate tomorrow.

Picture, Page 7

THE LEX COLUMN

The stock market's second tier

Index rose 0.7 to 423.6



Since the early 1970s the London stock market has for the most part been shunned by small entrepreneurs and the number of new listings has dwindled to a trickle. Whatever the reasons for this—whether onerous regulation, burdensome disclosure rules or the ability of proprietors of private companies to run extravagant expense accounts—the Stock Exchange has come under increasing pressure to make itself more attractive to small companies.

Hence yesterday's proposal to transform the experimental dealings under Rule 163 (2) into a formal unlisted securities market. This will slot into the middle of a three tier structure in which the top slice, according to the plans now being put forward, will consist of the existing listed market, while the bottom layer will continue to comprise occasional specially-authorised trades under Rule 163 (2).

Although dressed up as a way of giving small companies access to the wider equity capital market, and thus encouraging their growth, essentially this facility should be seen as a means by which proprietors of small companies may cash in a limited percentage of their equity. With only 15 per cent of the equity needing to be issued to the public, rather than the 35 per cent insisted upon for normal cases in the present fully-listed market, the danger of losing voting control is much reduced, and there will be a better chance of getting a good price for a more limited placing.

Against this background these are generally sensible measures. Yet there will remain the anomaly that, in not going over to a consistent multi-tier market, existing small listed companies are going to be held to more vigorous treatment—in terms of disclosure and regulation—than unlisted ones. The Stock Exchange Council makes clear that it does "not propose to allow" existing listed companies to slip down into the second tier. At the same time companies in the USM will be politely but firmly pushed up into the fully listed market when certain criteria, such as a five-year record and £10m market capitalisation, are met.

The test is going to be whether the USM can be maintained as a transitional market, or whether the Council is opening the door to something that will get more popular than it is designed to be.

Marley

Marley's profits growth accelerated in the second half of the year to October to give a pre-tax figure 18¼ per cent up at £22.1m for the year as a whole, after a 9 per cent rise in the first six months, when the bad weather did severe damage. Almost all the increase has come on the overseas side, where South Africa and France have been particularly strong.

The group is looking for more growth overseas in the current year, and is expecting an advance at the trading level in the UK businesses as a whole. The DIY store division is being rapidly expanded, and there should be some loss elimination in exports and in the Wallington Weston subsidiary. Marley is also hoping that demand for building materials will be kept at a respectable level by the home improvement brigade.

The interest charge, though, is set to rise sharply. Borrowings have risen by £19m in the past year as the result of an ambitious spending programme, and the group is still looking for a substantial U.S. acquisition. Present investment should bring useful returns in the early 1980s, and the shares, which at 78p yield 7½ per cent and stand on a p/e of around 8, fully-taxed are not on a testing rating.

The corset

Yesterday's make-up day for the December banking month passed off in the now traditional way, with overnight money rates oscillating wildly. For much of the day the money market was not particularly tight, which will mean that the clearing banks should not have been embarrassed by any last-minute switch into overdraft lending which might have pushed them more deeply into trouble with the corset.

On the November mak day interest-bearing eli liabilities (IBELs) of clearers' parent banks we mere ¾ per cent into the pe penalty zone. But the clea bank groups as a whole probably more or less in with the rest of the bank system, which was roughly 2 cent above the ceiling.

Although the December b ing month was only three w long, the corset ceiling is raised by a full 1 per cen the IBELs base level. Aga this, the seasonal borrow needs of the banks' custo are rather high. But what really have put the banks difficulties is that the th month moving average of t IBELs this month will have the low September figure. the December figure which places it is only 1 per cent on November—and it may be a good deal more—the ba ing system will find itself 3¼ per cent above the permit limit. In order to get b below the ceiling, IBELs wo have to fall by 9 per cent, wh is unlikely, to say the le especially as the 4.1 per c jump in November IBELs s gests that the authorit attempts to discourage the m dubious forms of corset evas are beginning to work.

Once a bank is more tha per cent above its IBEL ceili the penalty increases five-fo The banks may be expected redouble their demands that corset should be removed their discomfiture grows.

Guthrie

Although it will be the of next March before Si Darby can resume its acqu tional pursuit of Guthrie C poration, Sime will be mil encouraged by the indicat from Guthrie yesterday that is unlikely to achieve the £3 pre-tax for 1979 which was fo cast during the bid battle l winter. After six months p tax profits are up from a pressed £4.8m to £9.1m, w a strong trend in South E Asia and North America, b Europe and Australia ha stayed in the red for the fi half.

Two problems are now pu ting pressure on the foreca First, sterling is roughly tenth higher than it was l January, which devalues t Malaysian and U.S. earnin Second, Lancaster Carpets the UK is plainly having a ve lean time. Nevertheless, full year's profits will be w ahead of the £20.9m record for 1978; at 600p the shar yield a prospective 6.7 per ce

£120m plan for MPs' offices

By Richard Evans, Lobby Editor

AN AMBITIOUS multi-million-pound office block scheme for MPs, to be built alongside Westminster Bridge, was unveiled yesterday with the backing of an all-party Commons committee.

The design, which could be developed in stages to spread the costs, would create an important Thames-side landmark. But in the present economic climate its supporters fear that the project might have to be delayed.

The full scheme, which would create 400 sets of rooms for MPs, would cost £120m at current prices—an increase of £15m since the beginning of the year—but a modest start could be made for £8.5m. This would provide about 30 sets of rooms.

In a report from the Commons services committee, published with a feasibility study by a team of architects led by Sir Hugh Casson, president of the Royal Academy of Arts, MPs recommend the adoption of a four-stage building programme. This is in preference to a single-stage, or an eight-stage programe.

A final decision will depend on the reception the scheme receives from the Cabinet and from Parliament. An exhibition will be mounted in Westminster Hall in February, and a debate will be held shortly afterwards.

Even with maximum Cabinet and Parliamentary backing, the full scheme would take nine years to complete.

The site is bounded by the Victoria Embankment, Bridge Street, Parliament Street and Derby Gate. The project would leave intact some listed buildings, including some designed by Norman Shaw in the last century.

At street level, there would be shopping arcades and a new route from Whitehall to the Thames.

Picture Page 8

Court move on Iran bank

BY JOHN EVANS

CHASE MANHATTAN Bank confirmed last night that it has filed a protective action in the U.S. to restrain Bank Markazi, Iran's central bank, from suing it in courts outside the U.S.

This marks a further development in the legal battle between U.S. banks and Iran, prompted by President Carter's order last month to freeze more than $8bn (£3.65bn) of Iranian assets in the U.S. or lodged at American banks worldwide.

The move emphasises growing international conflict over whether U.S. banking subsidiaries abroad are subject finally to U.S. or host-country law.

Chase in New York said: "We have asked the Southern District Court of New York (in Manhattan) to restrain Bank Markazi from proceeding against us outside the U.S."

A federal judge has issued a temporary restraining order to that effect, the bank said, adding: "We believe it better that one legal system decides the various legal issues involved."

The judge has posted a return date for later this week so that Chase and Bank Markazi may explain their positions. Bank Markazi officials in London were unavailable for comment last night, although it is understood that a representative will appear at the New York court.

Chase is subject to legal action by Bank Markazi in Britain. The central bank served it with a writ late last month seeking the release of $320.9m (£146.5m) alleged to be frozen at Chase Manhattan in London, as a result of the Presidential blocking order.

That was part of wider action by Bank Marakazi seeking the release of more than $3bn claimed to be frozen at the London branches of five big U.S. banks. The writs gave the banks 14 days notice in which to release the funds, and the time limit expires this week.

Chase was also agent bank for the $500m syndicated Euro-currency loan to the Imperial Government of Iran, which has been declared in default by a majority of the participating banks on the grounds of non-payment of interest.

Bank Markazi refutes that and says instructions given for the transfer of $4m of interest in New York were "frustrated" by the Presidential order.

British legal experts believe the Chase action to be a clear attempt to get all Iranian action against it heard under U.S. law. There is already widespread concern outside the U.S. over President Carter's use in the Iranian dispute, of the International Emergency Economic Powers Act, which seeks to impose U.S. law outside U.S. territory.

The central banks of Britain and Switzerland say their banking laws are the ultimate authority for all banks in their respective countries. In the U.S. legal opinion has been given that under American law the Presidential freeze affects U.S. bank branches and subsidiaries overseas.

That was repeated last night in Washington by Mr. Anthony Solomon, the Treasury Under-Secretary for international affairs.

In Paris, Bank Markazi was rebuffered yesterday by a French civil court in its efforts to move funds out of the Paris branch of Citibank.

P.O. removes worker directors

BY CHRISTIAN TYLER, LABOUR EDITOR

A TWO-YEAR worker director experiment in the Post Office, the first of its kind in a major British enterprise, will not continue in its present form, the Government announced yesterday.

The seven trade unionists and two consumer board members will not be reappointed at the end of the year.

Although Post Office unions had expected the decision, in spite of their protests that the experiment had not had time to prove itself, they yesterday welcomed the Government's decision to allow a further two months of negotiation.

If the Post Office were to agree to continue some kind of board-level representation, the Government would confirm that by Order before the experiment's enabling legislation expires on March 31.

The unions will probably press for a place on the two new management boards that the Post Office is to set up on January 1 to take over separate day-to-day running of posts and telecommunications.

Sir William Barlow, the Post Office chairman, who argued strongly against the experiment continuing, may offer a substitute outside the board. This would possibly be a forum of general secretaries and chief negotiators to extend the present consultative system.

The announcement was sharply criticised by Labour MPs yesterday as a setback for industrial democracy which would be seen as an attack on the trade union movement.

Sir Keith Joseph, Industry Secretary, told the Commons that although it was the Government's policy to encourage increased involvement of employees in decision-making, it was not for the Government to lay down how that should be achieved.

Worker participation "low" Page 7;
Parliament, Page 8;
Editorial comment, Page 18

Weather

UK TODAY

WINDY. SHOWERS.

London, E. Anglia, Midlands, E., S.E., N.E., Cent. N. England
Dry at first, showers quickly developing. Sunny intervals. Max. 9C (48F).

N.W., S.W., Cent. S. England, Channel Isles, Wales, Isle of Man
Blustery showers, some heavy. Bright intervals. Max. 7C (48F).

Glasgow, S.W. Scotland, Argyll, N. Ireland
Showers or longer rainy spells. Max 7C (45F).

N.W. Scotland
Heavy rain at times. Wind S.E. to S., locally severe gales. Max 7C (45F).

Rest of Scotland, Islands
Blustery showers, some heavy. Max 7C (45F).

Outlook: Unsettled. Very windy at times. Night frost in parts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	London	F	8	46
Algiers	F	18	64	L. Angeles		18	64
Amsdm.	C	4	39	Luxmbg.	C	2	36
Athens	C	18	64	Luxor	S	21	70
Bahrain	S	25	77	Madrid	F	11	52
Barclna.	S	16	61	Majorca	F	18	64
Beirut	S	19	66	Malaga	F	21	70
Belfast	C	7	45	Malta	S	18	64
Belgrd.	C	7	45	M'chstr	F	6	43
Berlin	F	1	34	Melbne	C	21	70
Biarritz	F	16	61	Mex. C.	S	19	67
Bmghm.	C	5	41	Milan	S	11	52
Blackpl.	F	5	41	Mntreal.	R	9	48
Bordx.	F	14	57	Moscow	Sn	−7	19
Boulgn.	C	8	46	Munich	Sn	0	32
Bristol	F	8	46	Nairobi	S	24	75
Brussels	C	5	41	Naples	R	13	55
B. Aires	C	24	75	Nwcstl.	Fg	4	39
Cairo	S	21	69	N. York	S	12	54
Cardiff	C	9	48	Nice	S	18	64
Cas'b'ca	Fg	15	59	Nicosia	C	18	64
Cape T.	S	25	77	Oporto	Fg	14	57
Chicago	S	−4	25	Oslo	S	−8	18
Cologne	F	4	39	Paris	F	9	48
Cpnhgn.	S	−3	27	Perth	S	21	70
Corfu	C	16	61	Prague	C	−1	30
Dublin	R	9	48	Reykjvk.	R	1	34
Dbrvnk.	F	13	55	Rhodes	R	17	63
Ednbgh.	F	5	41	Rio J'o	C	31	88
Faro	C	19	66	Rome	F	16	61
Florence	Fg	14	57	Salzbrg	Sn	1	34
Frankft.	F	4	39	Singapr.	C	30	86
Geneva	C	5	41	Stckhm.	S	−6	21
Gibrltr.	S	20	68	Strasbg.	R	4	39
Glasgow	F	5	41	Sydney	C	22	72
G'nsey	F	11	52	Tangier	F	17	63
Helsnki	Sn	−13	9	Tehran	S	7	44
H. Kong	S	20	68	Tel Aviv	F	19	66
Innsbrk.	R	3	37	Tenerife	F	19	66
Invrnss.	C	5	41	Tokyo	C	8	[illegible]
I.o Man	R	8	46	Toronto	C	6	43
Istanbul	C	14	57	Tunis	F	17	63
Jersey	S	11	52	Valencia	F	18	64
Jo'burg	C	20	68	Venice	C	5	41
L. Plms.	F	20	68	Vienna	C	2	36
Lisbon	C	17	63	Warsaw	Sn	−6	21
Locarno	S	13	55	Zurich	C	5	41

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.

Continued from Page 1

Soames arrives in Rhodesia

time in 1969, when the last British Governor, Sir Humphrey Gibb, abandoned Government House after his electricity and telephone had been cut off.

Lord Soames's arrival symbolised to many blacks, the end of minority white rule in Rhodesia, but was greeted with very mixed feelings by Rhodesian whites. Mr. Ian Smith, who led the country to UDI in 1965, was deliberately absent from the airport reception.

In spite of the lack of open hostility at his arrival, Lord Soames faces a daunting task in bringing peace to a country where no ceasefire has been agreed, and steering it through a bitter election campaign. Senior Rhodesian officials, now responsible to Lord Soames, remain deeply sceptical about the chances of ensuring a ceasefire between the Rhodesian security forces and the guerrilla armies of the Patriotic Front alliance.

Until a ceasefire has been agreed at the Lancaster House conference in London, Lord Soames will be legally in charge of the Rhodesian security forces fighting the guerrillas. His most urgent task will be to order an end to raids on guerrilla camps in neighbouring territories. At the same time, he is expected to order the reopening of the Rhodesian rail route for maize supplies to Zambia.

The other key obstacle he has to tackle is the lifting of martial law, which applies to nine-tenths of the country, and under which several thousand prisoners are being held without trial by the security forces.

Lord Soames arrived with Major-General John Acland, his military adviser; Sir Anthony Duff, the deputy governor; Sir James Haughton, his police adviser; and Sir John Boynton, the Election Commissioner.

On his arrival, he announced that the electoral process had already been started with the publication of ordinances establishing the powers of the Election Commissioner. Although negotiations continued in London, he announced a registration date for political parties of December 31.

Addressing the nation, Lord Soames admitted the size of his task. He said that although he would be responsible for the administration of the country, "it will be no part of my job to take decisions or make changes except insofar as these are necessary to enable me to carry out the immediate task and to ensure that Government services continue to operate effectively."

Continued from Page 1

Ceasefire agreement soon

effect from midnight last night when the Import-Export and Customs Powers (Defence) Act of 1939 was amended.

The Department of Trade announced that licences "will be required as for other countries for imports and exports of certain types of goods subject to general restrictions. Exceptionally, the export to Rhodesia of aircraft, aircraft spares and equipment will also be subject to licensing control."

The end of sanctions against Rhodesia also means that all exchange control restrictions affecting that country are being removed with effect from today. Rhodesia was the only exception to the general abolition of exchange controls announced on October 23. The effect of yesterday's move is that the abolition is now worldwide.

The 1947 Exchange Control Act will remain on the Statute Book for the time being, although its future is being reviewed.

Statutory orders are being laid before Parliament and the Bank of England is issuing a notice pointing out that obligations remain to provide information and documents if this is required as part of a Treasury investigation of past evasions of the 1947 Act.

The Exports Credit Guarantee Department announced yesterday that it was resuming insurance cover for British exports to Rhodesia on credit terms of up to six months. Both the Confederation of British Industry and the London Chambers of Commerce have announced that they hope to send missions to Rhodesia shortly.

Meanwhile, British Airways and British Caledonian Airways are poised to resume flights to Salisbury.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.